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1981 MUTUAL FUND FACT BOOK

INVESTMENT COMPANY INSTITUTE

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Aims and Purposes of the Investment Company Institute

The Investment Company Institute, formerly the National Association of Investment Companies, was founded in 1941. It represents its members – mutual funds, their investment advisers and their underwriters – and their shareholders in matters of legislation, regulation, taxation, public information and advertising, statistics and economic and market research. The Institute provides a clearinghouse to which interested persons and communications media may turn for information about the mutual fund industry in the United States, and serves as spokesman and fact-finder in many areas affecting its members, their shareholders and the investing public.

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EDITOR'S NOTE

Wherever mutual fund statistics appear in text, charts and tables throughout this volume, money market funds and short-term municipal bond funds are included only where clearly indicated.

1980: A YEAR OF TURBULENCE

The year 1980 was marked by high volatility in almost every economic and financial sector. In many ways the year can be divided into two nearly equal parts, with developments during the first half neatly contrasting those in the second. One of the few constants was inflation, which remained virulent during the entire period.

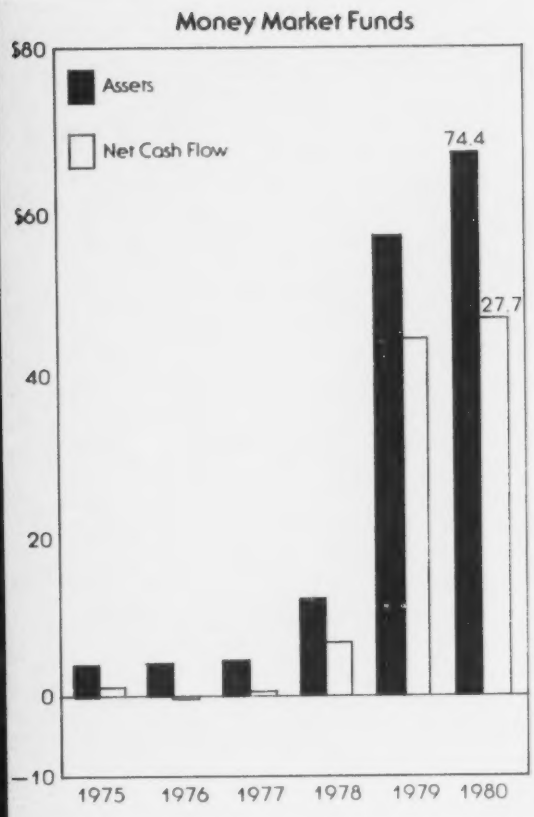
After flirting with recession during 1979, economic activity finally peaked in January and fell for most of the first half of 1980. The most obvious developments early in the year were extremely high inflation, a highly unsettled bond market, and historic levels for short-term interest rates. Underlying these symptoms was the less-noticed fact that serious imbalances and overextensions had developed among both consumers and businesses. Financial positions were strained by high levels of short- and intermediate-term borrowing, occurring in the midst of restrictive fiscal and monetary policies. These problems were causing a retrenchment of economic activity in early 1980.

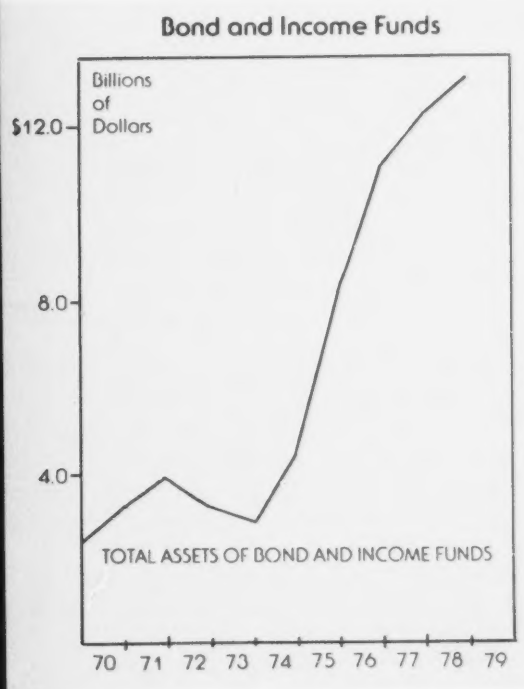
In this environment, on March 14 President Carter announced a broad program of credit restraint formulated and administered by the Federal Reserve, including a reserve requirement on money market fund assets. During the second quarter of 1980, real GNP fell at a record pace, as the underlying contraction already in progress was aggravated by the abrupt curtailment of both the supply of and demand for credit. During this period interest rates fell even faster than they had risen earlier in the year. In light of these developments the special credit programs were phased out, ending completely in July.

The rebound in economic activity after mid-year was unexpectedly sharp. Real GNP grew at a 3.75 percent annual rate over the second half of 1980, with automobiles and housing recovering especially well.

For 1980 as a whole, the level of economic activity at the end was about where it stood as the year began. Interest rates ended the year at about the same high levels they had reached earlier. One bright spot was the performance of the stock market which, having bottomed out in April, rose throughout the rest of the year. Rising stock prices made equity financing more attractive to businesses. At the same time, an increasing number of investors gave stocks a vote of confidence as long-term inflation hedges. For the short- and intermediate-term, meanwhile, many investors turned to money market instruments as a way to obtain liquidity while still having their money work for them.

Money market funds enjoyed a net cash inflow of $27.7 billion in 1980 as investors continued to seek safety, liquidity and high yield to combat inflation. In the first two months of the year, interest rates were on a plateau of about 12 percent, and the funds were adding $7 billion of new assets per month. In March two developments hit the industry. As noted earlier, the imposition of reserve requirements by the Federal Reserve Board disrupted sales, causing many funds to turn away new shareholders until a workable strategy could be devised. Short-term interest rates, moreover, took one last leap upward, giving alternative deposit certificates and the direct purchase of Treasury Bills a temporary yield advantage. For a brief period asset growth subsided. The situation





turned around very quickly. As the economy sunk rapidly into recession, short-term yields moved down to levels not seen since 1978. Alternative investments quickly reflected these lower rates. Money market funds, however, with their staggered portfolios, continued to offer very attractive returns. During late spring and early summer, the funds' growth rate shot up to $2 billion per week.

Toward the end of summer interest rates rebounded very strongly and, as in late March, alternative vehicles once again enjoyed a temporary yield advantage. The assets of the funds, after topping $80 billion in July closed the year at $74 billion. The asset growth of money market funds over the past two years, however, is unprecedented in the mutual fund industry and is one of the major success stories of all financial businesses. Sales of money market funds totalled $232 billion in 1980, more than twice the 1979 volume.

Short-term municipal bond funds are another product innovation that has enjoyed particular success. By combining many of the features of money market funds with tax-free income, these funds posted net sales in 1980 of $1.4 billion. In existence only since mid 1979, their net assets total nearly $2 billion.

Investment performance of the equity group continued to be excellent in 1980 as it has been for many years. Over the past three and five years, equity funds, with dividends and capital gains reinvested, have kept their shareholders comfortably ahead of the price level while individual common stocks generally did relatively poorly. Mutual funds have provided real gains in excess of 20 percent for three years and about 33 percent for five years. At the same time, the S&P 500 was lagging the inflation rate by 3 percent and 2 percent for the two periods, respectively. Over the past ten years, the stock market surpassed the increase in the

consumer price index, 137.4 percent compared to 83.1 percent. Once again, however, mutual funds proved best of all with total returns of 155.5 percent. The difference in performance between the equity mutual funds and the S&P 500 demonstrates the potential advantage of a managed protfolio. Over these time periods, mutual funds have proven to be the preferred way to invest in the stock market.

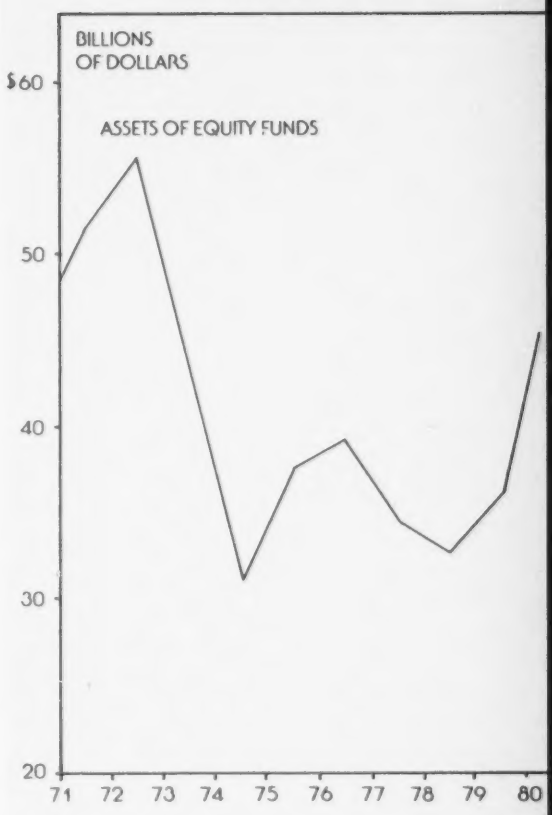
Sales of equity funds – aggressive growth, growth, growth and income, and balanced funds – totalled about $5.6 billion in 1980, 82 percent higher than in 1979. Equity sales in 1980 were the best in eleven years, but they are still below levels achieved in 1968 and 1969.

Sales gains within the equity group varied substantially in 1980; sales of aggressive growth funds rose 138 percent, while those of balanced funds fell slightly. Sales of growth and growth and income funds each rose over 60 percent. On a net basis, redemptions continued to exceed sales in 1980 by about $75.4 million. This is a substantial improvement over the preceding four years when redemptions exceeded sales by well over $2.0 billion in each year. Aggressive growth funds did, in fact, achieve net sales of $536 million in 1980, but this was more than offset by net redemptions of other types of equity funds.

Sales of all types of bond and income funds rose about 17.4 percent in 1980. As in the case of the equity group, sales performance varied widely by type of fund. Sales of corporate bond funds, for example, rose 32.0 percent, while those of long-term municipal bond funds increased 2.7 percent. Sales of income and option-income funds rose 26.5 percent and 24.4 percent, respectively.

Redemptions of all types of bond and income funds changed little. Net sales of that group totalled about $1.9 billion in 1980 thereby maintain-

Equity Mutual Funds



Mutual Fund Assets
(Billions of Dollars

	Year End		
	1979	1980	Percent Change
Investment Ovjective			
Aggressive Growth	$ 3.0	$ 4.7	+57.9%
Growth	13.0	16.8	+29.3
Growth and Income	16.5	19.5	+18.6
Balanced	3.4	3.4	—
Income	4.5	4.8	+5.7
Bond	5.1	5.7	+12.3
Municipal Bond	3.0	2.9	-3.3
Option-Income	0.5	0.6	+19.5
Total	$49.0	$58.4	+19.2%
Money Market	$45.2	$74.4	+64.7%
Short Term Municipal Bond	0.3	1.9	+502.5
Total	$45.5	$76.3	+67.7%
Grand Total	$94.5	$134.7	+42.6%

ing an unbroken string of years in which cash flow has been positive.

Total assets of all funds rose from $94.5 billion at the end of 1979 to $134.8 billion at the end of 1980, or 42.6 percent. Most of the dollar increase reflects the asset growth of money market funds and limited maturity municipals which together rose 67.7 percent. Assets of the bond and income group expanded 6.7 percent, while the assets of equity funds increased 23.8 percent.

Exchange activity continued to expand. In 1980, exchanges topped $9.0 billion, compared with less than $6.0 billion in 1979. Five years ago exchanges amounted to only $700.0 million.

All of the asset growth in the equity sector reflects investment performance gains, since net redemptions and net exchanges out of these funds represent asset drains.

Increasing public awareness of their sterling performance record is probably a primary factor in the improved sales of equity funds. Recent studies have shown fund managers to be far superior to other institutional investors. With inflation a major nemesis to long-term investment planning, it bodes well for the industry that equity funds have produced gains far in excess of the rise in consumer prices as well as surpassing most indices of overall stock market performance.

MUTUAL FUND SALES
CLASSIFIED BY INVESTMENT OBJECTIVE

Investment Objective	Sales (Millions of Dollars) 1979	1980	Percent Change
Aggressive Growth	$687.5	$1,635.6	+137.9%
Growth	1,171.5	2,048.6	+74.9
Growth-&-Income	1,062.7	1,762.9	+65.9
Balanced	164.8	156.0	-5.3
Income	644.8	815.8	+26.5
Bond	1,273.2	1,680.4	+32.0
Municipal Bond	1,711.2	1,756.6	+2.7
Option Income	110.7	137.8	+24.4
Total Long Term	$6,826.5	$9,993.7	+44.1%
Money Market	$111,855.1	$232,168.3	+107.6%
Short Term Municipal	639.2	5,254.9	+722.1
Total Short Term	$112,494.3	$237,423.3	+110.7%

WHAT IS A MUTUAL FUND?

A mutual fund is a company which combines the investment funds of many people whose investment goals are similar, and in turn invests those funds in a wide variety of securities. The selection and purchase and sale of individual securities by the mutual fund is under the continuous supervision of professional investment managers.

Thus, mutual funds seek to do for the individual what he might do for himself if he had the time, the inclination, the background, the experience and sufficient resources to spread his investment among many businesses.

Different mutual funds have a wide range of investment objectives, management policies and degrees of risk and profit opportunities. Thus, there is a wide spectrum of choice for the investor in establishing a program oriented toward his investment needs.

Some mutual funds, for example, place strong emphasis on capital growth, with current income only a secondary consideration; others stress income, preservation of capital, or seek a fine balance between growth and income to achieve their stated goals.

Whatever the policies and the investor's own objectives, mutual funds offer an investment medium that holds forth the opportunity for the realization of goals such as retirement, college education for children, a hedge against inflation, or other worthwhile and needful requirements.

Since all securities may go either up or down, the mutual fund cannot promise to return a certain number of dollars or pay any specific amount of income.

The common and preferred stocks and corporate and municipal bonds that may be held by these companies are known as "portfolio securities," and, when taken as a whole, are called "the portfolio." Thus, the shares a mutual fund investor owns may represent an indirect interest in the investment results of 50 to 100 or more securities.

Since the interest of shareholders in the mutual fund is based on the number of shares they hold, they participate pro rata according to their shareholdings in the net income and profits or losses from the securities the fund holds. Costs of operation are divided among all shareholders and are deducted from the earnings on the securities held.

Mutual funds provide a wide variety of investment policies suitable for almost any requirements or objectives an investor might have. An investor, of course, should choose a mutual fund whose aims and objectives are similar to his own.

Mutual funds are technically known as open-end investment companies because they stand ready at any time to redeem outstanding shares when presented by the investor. As open-end companies, therefore, the number of their shares is not fixed, with the outstanding total varying as new shares are sold to investors and shares are redeemed upon presentation to the company.

Mutual funds seek to do for the individual what he might do if he had the time, the inclination, the background, experience and sufficient resources to spread his investment among many businesses.

HISTORICAL BACKGROUND

The concept of the mutual fund as it is known and applied today finds its roots some 140 years ago in Europe when William I established in Belgium the "Societe Generale des Pays-Bas pour favoriser l'industrie nationale."

The real pioneer in the field, however, appeared in London in the Foreign and Colonial Government Trust formed in 1868. Its purpose was to provide "the investor of moderate means the same advantages as the large capitalists, in diminishing the risk of investing in Foreign and Colonial Government Stocks, by spreading the investment over a number of different stocks."

Substantial amounts of money invested in British and Scottish investment companies helped finance the development of the American economy after the Civil War. Farm mortgages, railroads and other industries in the U.S. were financed to a large extent by these companies.

Originally called investment trusts, the British organizations later went under the name of investment trust companies. Until 1930 the British companies were all of the closed-end type and once established did not issue new shares. After 1930, open-end companies or mutual funds were founded; today both types flourish in Britain and have spread to many other countries in Europe, Asis, the Far East, Latin America and Canada.

With the growth of the American economy in the late 19th century and the beginning of the 20th century, many types of financial institutions appeared on the scene to provide a means of investment.

As early as 1823 a New England life insurance company had features that resembled those of an investment company. Throughout the 19th century farm mortgage companies and building and loan associations emphasized the principle of diversification of investment as a method of reducing the risk to participating investors.

Over the years, toward the close of the 19th century, investment companies were founded in Boston, New York, Philadelphia and other cities. They were established by bankers, brokers, investment counsel and others who saw the need of making diversification and professional financial management available to investors of moderate means.

The establishment of several solidly organized companies in the 1920s by experienced and competent financiers inspired the rise of many others, not so conservatively constructed. Like scores of other financial and industrial organizations, many of the latter did not survive the impact of the 1929 crash. The better organized and soundly conceived and operated companies – including all the open-end, or mutual fund, companies then in existence – continued to grow over the years and maintained their pattern of service to the American investor.

By 1936, under a Congressional mandate, the Securities and Exchange Commission launched a study of investment companies which culminated in the Investment Company Act of 1940. This Act was designed to provide statutory safeguards for the investor. Its enactment provided a framework within which the mutual fund industry has grown substantially during the past four decades.

SHAREHOLDER ACCOUNTS AND TOTAL NET ASSETS, 1965-1980

Calendar Year End	Number of Reporting Funds	Number of Accounts (In Thousands)	Assets (In Billions of Dollars)
1965	170	6,709.3	$35.2
1966	182	7,701.7	34.8
1967	204	7,904.1	44.7
1968	240	9,080.2	52.7
1969	269	10,391.5	48.3
1970	361	10,690.3	47.6
1971	392	10,901.0	55.0
1972	410	10,635.3	59.8
1973	421	10,330.9	46.5
1974			
Mutual Funds	416	9,970.4	34.1
Money Market Funds	15	103.8	1.7
1975			
Mutual Funds	390	9,712.5	42.2
Money Market Funds	36	208.8	3.7
1976			
Mutual Funds	404	8,879.4	47.6
Money Market Funds	48	180.7	3.7
1977			
Mutual Funds	427	8,515.1	45.0
Money Market Funds	50	177.5	3.9
1978			
Mutual Funds	444	8,190.6	45.0
Money Market Funds	61	467.8	10.9
1979			
Mutual Funds	446R	7,482.2R	49.0R
Limited Maturity Funds*	2	3.5	.3
Money Market Funds	76	2,307.9	45.2
1980			
Mutual Funds	458	7,212.0	58.4
Limited Maturity Funds*	10	16.5	1.9
Money Markets Funds	96	4,745.6	74.4

R—Revised
*Municipal Bond funds with less than two years maturity.

NOTE: Figures for shareholder accounts represent combined totals for member companies. Duplications have not been eliminated.

*Money Market Funds and Limited Maturity Municipal Bond Funds.

GROWTH AND DEVELOPMENT

The past 40 years have seen the mutual fund industry grow and develop at an extraordinary rate. From 1940 through 1980:

The number of publicly offered mutual funds grew from approximately 70 to more than 800;

Mutual fund assets, including money market funds, grew from under $500 million to nearly $135 billion;

Shareholder accounts grew from 300,000 to more than 11.9 million, representing an estimated 9.5 million individual shareholders.

Dividends and capital gains distributions to shareholders increased from $20 million in the year 1940 to more than $18.7 billion in the year 1980.

Total distributions to shareholders of American mutual funds from 1924 to the end of 1980 exceeded $72 billion, of which more than $40 billion was in dividends and $26 billion in capital gains.

Of the more than 800 funds in existence in 1980, 564 funds (representing 93.8 percent of mutual fund industry assets) reported to the Investment Company Institute. Of those reporting, 322 had been in operation for seven years or longer and 235 for more than 12 years.

By year end 1980, 310 mutual funds had assets exceeding $50 million, 110 funds had assets greater than $250 million, 65 funds had assets greater than $500 million and 29 funds had assets of more than $1 billion each.

The size of a fund's assets depends on both the inflow of new investment dollars and on fluctuations in the value of the securities in its portfolio. Thus, mutual funds owe their rapid growth to continuing new purchases of fund shares by the investing public and to the long-term uptrend of securities prices.

As the funds grew, so the many shareholder services expanded. One of the most popular—the monthly withdrawal plan—grew from 30,000 in 1961 to over 132,000 by 1980.

Since all mutual funds offer their shareholders liquidity through redemption (buying back) of their shares, new investment dollars to offset this depletion are obtained through the continuous sale of new shares.

In 1980, investors bought $232.2 billion of new mutual fund shares compared with $119.5 billion in 1979, $4.6 billion in 1970, $2.1 billion in 1960 and $50 million in 1940. Redemptions in 1980 totaled $204.5 billion compared with $86.9 billion in 1979, $3 billion in 1970, $842 million in 1960 and $35 million in 1940.

Mutual funds provide a wide variety of investment policies suitable for almost any requirements or objectives an investor might have.

MUTUAL FUNDS, CAPITAL CHANGES, 1965-1980

(In Millions of Dollars)

Calendar Year	Sales of Own Shares	Repurchases of Own Shares	Net Increase
1965	$4,358.1	$1,962.4	$2,395.7
1966	4,671.8	2,005.1	2,666.8
1967	4,669.6	2,744.2	1,925.4
1968	6,819.8	3,838.7	2,981.1
1969	6,718.3	3,661.6	3,056.6
1970	4,625.8	2,987.6	1,638.2
1971	5,147.2	4,750.2	397.0
1972	4,892.5	6,562.9	(1,670.7)
1973	4,359.3	5,651.1	(1,291.8)
1974			
Mutual Funds	3,091.5	3,380.9	(289.5)
Money Market Funds	2,229.2	556.0	1,673.1
1975			
Mutual Funds	3,307.2	3,686.3	(379.1)
Money Market Funds	6,843.2	5,966.2	877.0
1976			
Mutual Funds	4,360.3	6,801.2	(2,440.9)
Money Market Funds	9,360.9	9,609.2	(248.3)
1977			
Mutual Funds	6,399.7	6,026.0	373.7
Money Market Funds	10,673.0	10,662.7	10.3
1978			
Mutual Funds	6,705.3	7,232.4	(527.1)
Money Market Funds	30,452.2	24,294.5	6,157.8
1979			
Mutual Funds	6,826.3R	8,004.9R	(1,178.4)R
Limited Maturity Funds*	639.2	374.6	264.6
Money Market Funds	111,855.1	78,363.4	33,491.7
1980			
Mutual Funds	9,993.7	8,200.1	1,793.6
Limited Maturity Funds*	5,254.9	3,809.2	1,445.7
Money Market Funds	232,168.3	204,467.5	27,700.8

R—Revised
*Municipal Bond funds with less than two years maturity.

RELATION OF MUTUAL FUND ASSETS TO NEW YORK STOCK EXCHANGE MARKET VALUE OF ALL LISTED SHARES

ANNUALLY, 1951-1980
(Dollar Figures in Millions)

Year	Market Value of all N.Y.S.E. Listed Shares	Mutual Fund Assets		Mutual Fund Assets As Percentages	
		Total	In N.Y.S.E. Listed Stocks (estimated)	Total	In N.Y.S.E. Listed Stocks (estimated)
1951	$ 109,484	$ 3,130	$ 2,222	2.86 %	2.03 %
1952	120,536	3,931	2,791	3.26	2.32
1953	117,257	4,146	2,944	3.54	2.51
1954	169,149	6,109	4,337	3.61	2.56
1955	207,699	7,838	5,565	3.77	2.68
1956	219,176	9,046	6,423	4.13	2.93
1957	195,570	8,714	6,187	4.46	3.16
1958	276,665	13,242	9,408	4.79	3.40
1959	307,708	15,818	11,231	5.14	3.65
1960	306,967	17,026	12,088	5.55	3.94
1961	387,841	22,789	16,179	5.88	4.17
1962	345,846	21,271	15,102	6.15	4.37
1963	411,318	25,214	17,902	6.13	4.35
1964	474,322	29,116	20,672	6.14	4.36
1965	537,481	35,220	24,992	6.55	4.65
1966	482,541	34,829	27,100	7.22	5.62
1967	605,817	44,701	37,200	7.38	6.14
1968	692,337	52,677	44,100	7.61	6.37
1969	629,453	48,291	39,100	7.67	6.21
1970	636,380	47,618	39,000	7.48	6.13
1971	741,827	55,045	46,800	7.42	6.31
1972	871,540	59,831	46,090	6.86	5.29
1973	721,012	46,519	34,143	6.44	4.74
1974	511,100	34,062	23,902	7.00	4.68
1975	685,110	42,179	30,544	6.16	4.46
1976	858,300	47,582	34,032	5.54	3.97
1977	796,640	45,049	28,286	5.65	3.55
1978	822,740	44,980	29,145	5.47	3.54
1979	960,610	49,297	32,618	5.13	3.40
1980	1,242,800	58,400	39,483	4.70	3.18

NOTE: Comparison of open-end assets to market value of shares listed on the New York Stock Exchange has been made to utilize available uniform data in illustration of the relative size of investment companies. These investment companies also invest in issues traded on other exchanges and over-the-counter markets, which are not listed on the New York Stock Exchange and may purchase or sell issues listed on the New York Stock Exchange in other securities markets.

A SERVICE INDUSTRY

Mutual fund shares may be characterized in terms of "convenience of share-ownership" because of the variety of services which mutual funds offer their shareholders.

Single Purchase: When an investor buys shares in a mutual fund, his purchase represents a diversified list of securities, indicating his fractional holding in perhaps 50 or 100 or more corporations.

The convenience of a single certificate, embodying a stake in scores of companies, simplifies record keeping and accounting. Nowadays, an increasing number of funds will furnish the shareholder with a simple account statement in place of the formal certificate. This relieves shareholders of the problem and expense of safekeeping the valuable certificates.

Income Dividends: After the investor has made his mutual fund purchase, he receives, usually on a quarterly basis, the varying amounts of income received from dividends and interest on the fund's portfolio securities, after deducting operating expenses.

In 1980 mutual fund shareholders received $10.2 billion in investment income dividends, bringing the total in such payments since the first U.S. mutual fund was formed in 1924 to $40.2 billion.

Capital Gains Distributions: Mutual funds may also distribute to shareholders, on a yearly basis, net long-term profits realized upon the sale of portfolio securities when and if they occur. These payments are called capital gains distributions.

Capital gains disbursed to mutual fund shareholders in 1980 amounted to $1.7 billion. A total of 22.6 billion in net realized capital gains has been distributed to shareholders since 1924.

Automatic Reinvestment: Most mutual funds also offer shareholders plans for the automatic reinvestment of investment income dividends and capital gains distributions. In addition, most mutual funds distribute

REINVESTMENT OF INVESTMENT INCOME DIVIDENDS ANNUALLY, 1961-1980

(In Millions of Dollars)

Year	Investment Income Dividends	Reinvested Investment Income Dividends	Percentage of Reinvestment
1961	$ 520.4	$ 213.8	41.1 %
1962	552.7	255.3	46.2
1963	587.8	285.3	48.5
1964	694.6	363.8	52.4
1965	797.3	432.2	54.2
1966	875.1	488.9	55.9
1967	962.0	545.6	56.7
1968	1,014.1	632.9	62.4
1969	1,181.7	688.4	58.3
1970	1,141.1	785.0	55.5
1971	1,330.7	749.6	56.3
1972	1,286.6	692.0	53.8
1973	1,300.2	708.5	54.5
1974*	1,582.7	892.7	56.4
1975*	1,627.4	1,108.5	68.1
1976*	1,725.5	1,088.0	63.1
1977*	1,913.3	1,258.7	65.8
1978*	2,468.2	1,759.4	71.3
1979*	5,166.6	3,734.8	72.3
1980*	10,217.2	8,453.1	82.7

*Includes Short Term Funds.

net realized long-term capital gains through the medium of an optional stock dividend, by which the shareholder may receive stock at net asset value and thus keep his share of the gains at work in the company, or he may elect to receive cash.

Of the approximately $10.2 billion they received in investment income dividends in 1980, shareholders took shares instead of cash amounting to $8.5 billion or about 83.3 percent. In 1955, the first year that such figures were available, in dollar amount of dividend reinvestment, shareholders put back into mutual fund shares a total of only $61.8 million, or 25.6 percent, of the total of $240 million

MUTUAL FUNDS' DISTRIBUTIONS TO SHAREHOLDERS, 1965-1980

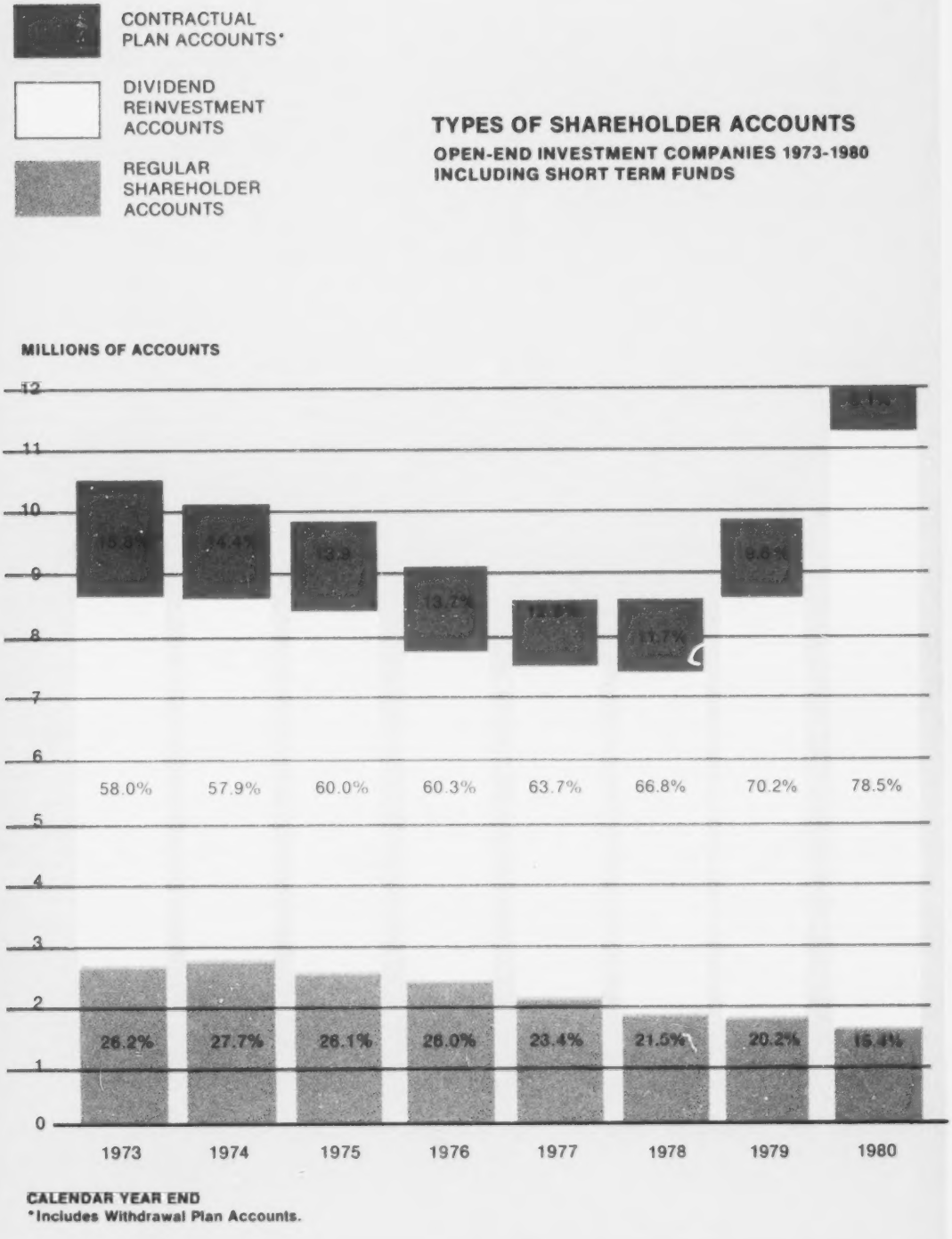
(In Millions of Dollars)

	Distributions From			Distributions From	
Year	Net Investment Income	Net Realized Capital Gains	Year	Net Investment Income	Net Realized Capital Gains
1965	$797.3	$939.8	1977		
1966	875.1	1,318.5	Mutual Funds	$1,789.7	$634.8
1967	962.0	1,689.6	Money Market Funds	123.6	
1968	1,014.1	2,400.0	1978		
1969	1,181.7	2,536.5	Mutual Funds	2,116.0	710.6
1970	1,414.1	922.1	Money Market Funds	352.2	
1971	1,330.7	775.5	1979		
1972	1,286.6	1,402.6	Mutual Funds	2,454.0	929.9
1973	1,300.2	943.3	Money Market Funds	2,712.6	
1974			1980		
Mutual Funds	1,553.2	484.3	Mutual Funds	2,493.5	1,683.3
Money Market Funds	29.5*		Money Market Funds	7,665.7	
1975			Limited Maturity Municipal Bond	58.0	
Mutual Funds	1,449.1	219.2			
Money Market Funds	178.3				
1976					
Mutual Funds	1,580.0	470.9			
Money Market Funds	145.5				

*Fourth quarter 1974 total only

TYPES OF SHAREHOLDER ACCOUNTS

OPEN-END INVESTMENT COMPANIES 1973-1980
INCLUDING SHORT TERM FUNDS



CALENDAR YEAR END
*Includes Withdrawal Plan Accounts.

TYPES OF SHAREHOLDER ACCOUNTS
(In Thousands) 1976-1980

Year End	Total Shareholder Accounts	Regular Accounts	Accounts with Automatic Dividend Reinvestment	Contractual Accumulation Plans	Contractual Single Payment Plans	Withdrawal Accounts
			NUMBER			
1976						
MUTUAL FUNDS	8,879	2,322	5,325	930	112	190
MONEYMARKET FUNDS*	155	30	124	—	—	1
1977						
MUTUAL FUNDS	8,515	2,008	5,387	844	101	175
MONEYMARKET FUNDS*	141	16	124	—	—	1
1978						
MUTUAL FUNDS	8,068	1,766	5,314	757	75	156
MONEYMARKET FUNDS*	381	47	333	—	—	1
1979						
MUTUAL FUNDS	7,486	1,704	4,901	677	64	140
MONEY MARKET FUNDS*	1,691	147	1,541	—	—	3
1980						
MUTUAL FUNDS	7,212	1,605	4,879	554	45	129
MONEY MARKET FUNDS*	4,746	228	4,515	—	—	3
LIMITED MATURITY MUNICIPAL BOND	17	6	11	—	—	—
			PERCENT			
1976						
MUTUAL FUNDS	100.0	26.1	60.0	10.5	1.3	2.1
MONEYMARKET FUNDS	100.0	19.4	80.0	—	—	0.6
1977						
MUTUAL FUNDS	100.0	23.6	63.3	9.9	1.2	2.0
MONEY MARKET FUNDS	100.0	11.4	87.9	—	—	0.7
1978						
MUTUAL FUNDS	100.0	21.6	64.9	9.2	2.4	1.9
MONEY MARKET FUNDS	100.0	12.3	87.4	—	—	0.3
1979						
MUTUAL FUNDS	100.0	22.8	65.5	9.0	0.8	1.9
MONEY MARKET FUNDS	100.0	8.7	91.1	—	—	0.2
1980						
MUTUAL FUNDS	100.0	22.2	67.7	7.7	0.6	1.8
MONEY MARKET FUNDS	100.0	4.8	95.1	—	—	0.1
LIMITED MATURITY MUNICIPAL BOND	100.0	35.3	64.7	—	—	—

NOTE: Automatic dividend reinvestment accounts do not include accumulation plans and contractual single payment plans, the great bulk of which also reinvest all distributions. Minor adjustments in prior years have been made as between types of accounts.

*Prior to 1980 total money market shareholder accounts shown above will be slightly less than total accounts in force as not all of the funds supply a breakdown by type of account.

which mutual funds paid out that year in dividends.

Similarly, of the $1.7 billion paid out to shareholders as capital gains in 1980 over 75.1 percent was put back into mutual fund shares.

A widely-recognized benefit accruing from regular period investment is dollar-cost averaging. This is a process whereby the shareholder invests identical amounts of money in shares of a given security at regular intervals. Thus, he buys more shares when prices are down, and fewer shares when the prices are high. While the process can neither assure him of a profit nor of protection against loss when stock prices decline, the pur-

CASH DIVIDEND PAYMENTS OF ALL CORPORATIONS AND MUTUAL FUNDS
ANNUALLY 1956-1980

(Dollar Figures in Millions)

Year	All Corporations	Mutual Funds	Mutual Fund Dividends As A Percent of Corporate Dividends
1956	$ 11,085	$ 285	2.57%
1957	11,514	322	2.80
1958	11,304	372	3.29
1959	12,171	419	3.44
1960	12,890	480	3.72
1961	13,347	520	3.90
1962	14,410	553	3.84
1963	15,504	588	3.79
1964	17,325	695	4.01
1965	19,120	797	4.17
1966	19,439	875	4.50
1967	20,103	962	4.79
1968	21,943	1,014	4.62
1969	22,592	1,182	5.23
1970	22,884	1,414	6.18
1971	22,982	1,331	5.79
1972	24,597	1,287	5.23
1973	27,822	1,300	4.67
1974	31,075	1,583	5.09
1975	32,100	1,627	5.07
1976	35,800	1,726	4.82
1977	43,700	1,913	4.38
1978	47,200	2,468	5.23
1979	50,200R	5,167	10.29R
1980	56,000P	10,217	18.24

Source: Survey of Current Business
R—Revised P—Preliminary

chase of more shares at lower than at higher prices will reduce the average cost of purchases made.

Contractual Plans: In a contractual plan an investor agrees to invest a fixed amount on a regular basis for a specified number of years. Designed as a program for the accumulation of mutual fund shares, a contractual plan should be considered as a long-term investment program, practical and convenient for accumulating capital where the objective is retirement, building an estate, or providing funds for the education of children. Since the distribution charge is deducted primarily against early payments, it is important that the plan be carried through since termination in the early years could result in a proportionately higher sales charge.

Withdrawal Plans: Many mutual funds offer a service whereby shareholders may receive payments from their investment at regular intervals. These may be in fixed amounts or calculated on one of several other bases. Withdrawal accounts are designed for those who wish to supplement their income for current needs, or to meet commitments of a specific nature. Generally some of the capital of the account must be withdrawn to make up the payments. There is usually a minimum investment amount required to start a withdrawal plan. The most salient feature of such plans is that the balance of the principal remains fully invested and always at work for the individual. However, since withdrawal plan payments may entail a return of part of the capital at work, the investor should be aware of the fact and its extent.

Exchange Privilege: The exchange privilege enables a shareholder to transfer his investment from one fund to another within the same fund group as his needs or objectives change. For instance, an individual may have invested in a fund for growth of capital over the years, and, upon retirement, his objective becomes one of current investment income which is more suitably achieved by a fund stressing current income. Usually, exchanges are allowed at a fee that approximates the cost of the mechanical process of converting an account.

Ready Market: Open-end companies stand ready to redeem their shares at any time, providing the investor with a ready cash market for his shares. A shareholder can sell any or all of his shares at any time, and does not have to look for a buyer. The fund itself will buy them back usually at the net asset value at time of redemption, which may be lower, the same, or higher than his cost.

The investor has used the redemption privilege at varying rates over the years. As a percentage ratio, redemptions have ranged from a high of 17.5 percent of the industry's average net assets in 1979 to a low of 4.6 percent in 1957. In recent years, the ratio of redemptions to average net assets has shown a somewhat similar pattern, ranging between 6.2 percent and 17.5 percent during the past 10 years.

Custodian: The mutual fund's custodian bank, which is usually under contract to the fund, holds in custody and safekeeping the securities and other assets of the mutual fund. Also, the custodian often acts as the transfer and dividend disbursing agent. However, it plays no part in the management of the fund, nor in the underwriting function.

Taxes: Tax reporting is simplified for the mutual fund shareholder since almost all companies advise the shareholder of the federal tax status of all distributions – investment income or capital gains. This subject is more fully covered on page 33.

Information: The mutual fund, in addition to filing periodic reports with

the Securities and Exchange Commission, informs the shareholder regularly on the operations of the fund and what is being done with his money. Complete information about investment operations is supplied to shareholders at least twice a year, and, for most companies, four times a year. These reports list the names and the amounts of securities held by the fund, show in most cases the major changes in investment since the last report, and contain financial statements, among other details.

Trends: On the basis of recent trends, it appears that investors are becoming increasingly aware of the special services available in mutual funds and are using these services more and more in financial planning.

A significant trend in the past decade has been the use of the exchange privilege. Converting from one fund to another within a fund complex amounted to $503 million in 1969; in 1980 the total was $10.1 billion.

Another trend has been the increasing use of automatic dividend reinvestment. In 1955, with a total of 2.1 million shareholder accounts in force only 10.2 percent of the accounts were using the automatic dividend reinvestment feature. In 1980 this had increased to 67.7 percent of 7.2 million accounts excluding money market funds.

To a greater and greater extent, the retail distribution of mutual fund shares is taking on the aspects of financial planning as the basic product is being made more and more adaptable to individual needs.

ANNUAL REPURCHASE (REDEMPTION) RATE, MUTUAL FUNDS 1951-1980

(In Millions of Dollars)

Year	Average Total Net Assets	Own Shares Repurchased	Redemption Rate as a Percent of Average Assets
1951	$ 2,831	$ 322	11.4 %
1952	3,531	196	5.6
1953	4,039	239	5.9
1954	5,128	400	7.8
1955	6,974	443	6.4
1956	8,442	438	5.2
1957	8,880	406	4.6
1958	10,983	511	4.7
1959	14,530	786	5.4
1960	16,422	842	5.1
1961	19,907	1,160	5.8
1962	22,030	1,123	5.1
1963	23,243	1,505	6.5
1964	27,165	1,874	6.9
1965	32,168	1,962	6.1
1966	35,025	2,005	5.7
1967	39,765	2,744	6.9
1968	48,689	3,839	7.9
1969	50,484	3,662	7.3
1970	47,954	2,988	6.2
1971	51,332	4,750	9.3
1972	57,438	6,563	11.4
1973	53,175	5,651	10.6
1974	40,290	3,381	8.4
1975	38,120	3,686	9.7
1976	44,880	6,801	15.2
1977	46,316	6,026	13.0
1978	45,014	7,232	16.4
1979	47,128	8,380	17.8
1980	51,643	8,200	15.9

NOTE: "Average" Value Assets are an average of values at the beginning of the year and at the end of the year.

MUTUAL FUND SALES[1] AND EXCHANGES[2]
(In Millions of Dollars)

1969-1980

Year	Total Sales	Exchanges	Sales Plus Exchanges	Exchanges as a Percent of Sales Including Exchanges
1969	$ 6,718.3	$ 502.6	$ 7,220.9	6.96%
1970	4,625.8	491.9	5,117.7	9.61
1971	5,147.2	534.0	5,681.2	9.40
1972	4,892.5	821.6	5,714.1	14.38
1973	4,359.3	630.8	4,990.1	12.64
1974[3]	5,320.7	508.6	5,829.3	8.72
1975[3]	10,150.4	699.7	10,850.1	6.44
1976[3]	13,721.2	1,520.4	15,241.6	9.98
1977[3]	17,072.7	2,235.4	19,308.1	11.58
1978[3]	37,157.5	3,954.3	41,111.8	9.62
1979[3]	119,320.6	5,829.5	125,150.1	4.66
1980[4]	247,416.9	10,098.5	257,515.4	3.92

[1]Sales represent total share issue of mutual funds including reinvested dividends but excluding reinvestment of capital gains, share issue resulting from conversions, and redeposits under single payment contractual plans.

[2]A transfer of funds from one fund in a complex to another fund in the same complex.

[3]Includes Money Market Funds

[4]Includes Limited Maturity & Money Market Funds

MUTUAL FUND EXCHANGES BY INVESTMENT OBJECTIVE
YEAR, 1980
(In Millions of Dollars)

Investment Objective	Sales Due To Exchanges	Redemptions Due To Exchanges
Aggressive Growth	$ 787.3	$ 856.2
Growth	1,365.0	1,591.3
Growth-and-Income	934.2	1,308.4
Balanced	5.4	114.2
Income	230.1	299.6
Bond	540.7	465.3
Municipal Bond	648.6	784.9
Option Income	8.2	11.9
Limited Maturity	208.3	130.9
Money Market	5,370.7	4,378.7

MUTUAL FUND NET NEW MONEY FLOW RELATED TO NET NEW MONEY FLOW FROM INDIVIDUALS TO SAVINGS AND INVESTMENT VEHICLES

(Dollar Figures in Billions)

1953-1980

Year	Net New Money to Savings and Investment Vehicles[1]	Net New Money to Mutual Funds[2]	Mutual Funds Net New Money as a Percent of Total
1953	$ 22.8	$ .4	1.8%
1954	22.2	.5	2.3
1955	28.0	.8	2.9
1956	30.2	.9	3.0
1957	28.6	1.0	3.5
1958	31.6	1.1	3.5
1959	37.4	1.5	4.0
1960	32.5	1.3	4.0
1961	35.9	1.8	5.0
1962	40.6	1.6	3.9
1963	47.3	1.0	2.1
1964	56.1	1.5	2.7
1965	59.0	2.4	4.1
1966	58.4	2.7	4.6
1967	70.4	1.9	2.7
1968	76.2		3.9
1969	64.5	3.1	4.8
1970	78.8	1.6	2.0
1971	103.0	.4	.4
1972	128.8	(1.7)*	—*
1973	148.5	(1.3)*	—*
1974	142.4	1.4	1.0
1975	167.2	0.5	0.3
1976	208.1	(2.7)*	—*
1977	241.7	0.4	0.2
1978	275.3	5.6	2.0
1979	291.6R	32.6	11.2R
1980	278.9	30.6	11.0

[1]From the "FRB Study of the Volume and Composition of Individuals' Savings" as reported in the Statistical Bulletins. Items selected are currency and deposits (including miscellaneous financial assets), savings share, securities, private insurance and pension reserves, and government insurances and pension reserves.

[2]Investment Company Institute members, including money market funds.

*Represents a minus figure.

R—Revised

PROFESSIONAL MANAGEMENT

Full-time professional management of investments is one of the basic characteristics of the mutual fund. The careful selection, diversification and continuous supervision of securities require a high degree of experience and judgment. Variations among investment companies in these factors and in investment objectives can be expected to yield different results.

The frequency and scope of changes in economic conditions affect investment values to an extent which few investors have the time or knowledge to evaluate effectively. Management of a securities portfolio calls for specialized skills, resources of information and facilities, and time to make reasoned investment decisions.

Surveys have shown that doctors, lawyers, engineers, educators and other professionally trained people in executive and administrative work, recognizing the need for professional management of their securities, constitute a significant percentage of all mutual fund shareholders.

The pattern of professional management available to mutual fund shareholders has developed according to principles of sound administrative organization.

Whether the professional services are provided by a separate investment advisory company or trustees under contract to the fund or by investment management staffs employed by the company itself, the pattern of operation is the same. It involves extensive economic and investment research aimed at developing data on which intelligent decisions regarding portfolio securities can be used.

The intense and constant search for the best of relative values is made necessary by the broadness of the market itself. There are approximately 25,000 securities issues available on the organized exchanges and in the over-the-counter markets of the nation, with an estimated value of about $1.5 trillion. It is from among these issues and values that mutual fund companies held assets totalling $58.4 billion at the end of 1980.

Out of all these thousands of securities which are traded on the nation's exchanges and marts, an estimated 10,000 equity securities plus bond issues of more than 3,000 corporations are represented in mutual fund portfolios.

Portfolio transactions conducted by the funds are by no means confined to any single securities market; orders to buy or sell may be executed on all organized exchanges and in the over-the-counter market. Where an order is executed depends solely upon where an issue or issues may be bought or sold on the most favorable basis in the judgment of the management.

The basic element underlying all professional management activities in the supervision of investments is the continuing correlation between portfolio composition and the long-term objectives of the mutual fund and its shareholders.

In the investment research process, experienced analysts conduct a constant appraisal of portfolio securities in terms of three distinct factors. These are: 1) general economic conditions; 2) the outlook for various industries; and 3) the prospects of individual companies, which are analyzed in terms of management, policies, sales and earnings records, competitive position and other factors.

It is on the basis of such appraisals that investment decisions are made

on behalf of mutual funds. For this professional management, individual shareholders pay a fee usually measured by a percentage of the assets under management.

In all cases, the details of professional management services, advisory fees and investment objectives are outlined in the information which each mutual fund makes available through periodic reports to shareholders, and in the prospectus.

Diversification

Diversification is a basic investing principle practiced by investment companies. In the investment com-

MUTUAL FUNDS' PORTFOLIO DIVERSIFICATION

COMMON STOCK HOLDINGS BY INDUSTRIES: 1970, 1975, 1980

(In Millions of Dollars)

	Market Value 1970	Market Value 1975	Market Value 1980
Agricultural Equipment	$ 33,104	$ 82,216	$177,351
Aircraft Mfg. & Aerospace	221,670	346,481	456,891
Air Transport	361,867	385,770	267,703
Auto & Accessories (excl. Tires)	778,348	489,027	204,214
Building Materials & Equipment	1,063,665	487,707	374,161
Chemicals	1,348,168	1,647,192	1,115,084
Communications (TV, Radio, Motion Pictures)	221,202	383,733	317,902
Containers	108,220	92,062	56,262
Drugs & Comestics	1,470,904	1,625,643	1,409,598
Elec. Equip. & Electronics (excl. TV & Radio)	1,590,472	901,701	1,724,872
Foods & Beverages	1,132,362	785,819	509,899
Financial (incl. Banks & Insurance)	2,252,237	1,457,360	1,530,945
Machinery	351,116	347,812	315,816
Metals & Mining	889,161	629,692	607,728
Office Equipment	1,858,795	1,590,536	1,510,997
Oil	2,570,483	2,870,657	4,532,213
Paper	417,872	613,086	377,875
Public Utilities (Incl. Telephone & Natural Gas)	2,597,020	1,107,512	976,728
Railroad	353,888	314,321	245,150
Railroad Equipment	74,553	60,374	116,459
Retail Trade	1,301,329	699,969	727,831
Rubber (incl. Tires)	430,343	227,826	65,292
Steel	59,017	417,612	246,551
Textiles	119,157	93,559	25,795
Tobacco	506,503	488,044	328,672
Miscellaneous*	2,571,573	2,068,392	2,015,525
TOTALS	$24,683,029	$20,214,103	$20,237,514

NOTE: Composite industry investments drawn from the portfolios of 40 of the largest investment companies as of the end of calendar year 1980 whose total net assets represented 41.0% of total net assets of all Institute member companies excluding all short term funds.

*Includes diversified industrial companies not readily assignable to specific industry categories.

pany context, it means, simply, that the professional managers of mutual funds combine the money of many investors and invest it in many corporations. It is a well-tested method of reducing the risk inherent in all investing.

Application of the basic investment principle of diversification by mutual funds can affect the relative position of the various industries represented in the portfolios. These positions are bound to vary from year to year. For more than 10 years, the three largest positions alternated between public utilities, financial institutions and the oil industry, until 1968 when utilities dropped out of the top three.

MUTUAL FUNDS' PORTFOLIO DIVERSIFICATION

PERCENT OF TOTAL COMMON STOCK BY INDUSTRIES, 1970, 1975, 1980

	1970	1975	1980
Agricultural Equipment	0.14%	0.41%	0.88%
Aircraft Mfg. & Aerospace	0.90	1.71	2.26
Air Transport	1.47	1.91	1.32
Auto & Accessories (excl. Tires)	3.15	2.42	1.01
Building Materials & Equip.	4.31	2.41	1.85
Chemicals	5.46	8.15	5.51
Communications (TV, Radio, Motion Pictures)	0.90	1.90	1.57
Containers	0.44	0.46	0.28
Drugs & Cosmetics	5.96	8.04	6.96
Elec. Equip. & Electronics (excl. TV & Radio)	6.45	4.46	8.52
Foods & Beverages	4.59	3.89	2.52
Financial (incl. Banks & Insurance)	9.12	7.21	7.56
Machinery	1.42	1.72	1.56
Metals & Mining	3.60	3.12	3.00
Office Equipment	7.53	7.87	7.47
Oil	10.41	14.20	22.39
Paper	1.69	3.03	1.87
Public Utilities (incl. Telephone & Natural Gas)	10.52	5.48	4.83
Railroad	1.43	1.55	1.21
Railroad Equipment	0.30	0.30	0.58
Retail Trade	5.27	3.46	3.60
Rubber (incl. Tires)	1.75	1.13	0.32
Steel	0.24	2.07	1.22
Textiles	0.48	0.46	0.13
Tobacco	2.05	2.41	1.62
Miscellaneous*	10.42	10.23	9.96
TOTALS	100.00%	100.00%	100.00%

NOTE: Composite industry investments drawn from the portfolios of 40 of the largest investment companies as of the end of calendar year 1980 whose total net assets represented 41.0% of total net assets of all Institute member companies excluding all short term funds.

*Includes diversified industrial companies not readily assignable to specific industry categories.

DISTRIBUTION OF MUTUAL FUND ASSETS
CALENDAR YEAR END, 1965-1980

(IN MILLIONS OF DOLLARS)

Year	Total Net Assets	Net Cash & Equivalent	Corporate Bonds	Preferred Stocks	Common Stocks	Municipal Bonds	Long Term US Gov't.	Other
1965	$35,220	$1,803	$2,554	$595	$30,268	NA	NA	NA
1966	34,829	2,971	2,915	505	28,438	NA	NA	NA
1967	44,701	2,566	2,959	755	38,421	NA	NA	NA
1968	52,677	3,187	3,408	1,675	44,407	NA	NA	NA
1969	48,291	3,846	3,586	1,190	39,669	NA	NA	NA
1970	47,618	3,124	4,286	1,143	38,540	NA	NA	$525
1971	55,045	2,601	4,910	1,206	45,891	NA	NA	437
1972	59,831	2,598	5,068	993	50,735	NA	NA	437
1973	46,519	3,426	4,196	623	37,698	NA	NA	576
1974	34,062	3,357	3,611	426	26,103	NA	NA	565
1975	42,179	3,209	4,766	506	33,158	NA	NA	540
1976	47,582	2,352	6,977	655	37,158	NA	NA	440
1977	45,049	3,274	6,475	418	30,746	$2,256	$1,295	585
1978	44,980	4,507	5,545	405	30,678	2,550	1,093	202
1979	48,980	4,995	5,582	443	34,334	2,651	798	177
1980	58,400	5,321	6,582	531	41,561	2,866	1,433	106

(PERCENTAGES)

1965	100.0%	5.1%	7.3%	1.7%	85.9%	NA	NA	NA
1966	100.0	8.5	8.4	1.4	81.7	NA	NA	NA
1967	100.0	5.7	6.6	1.7	86.0	NA	NA	NA
1968	100.0	6.0	6.5	3.2	84.3	NA	NA	NA
1969	100.0	8.0	7.4	2.5	82.1	NA	NA	NA
1970	100.0	6.6	9.0	2.4	80.9	NA	NA	1.1%
1971	100.0	4.7	8.9	2.2	83.4	NA	NA	0.8
1972	100.0	[illegible]	8.5	1.7	84.8	NA	NA	0.7
1973	100.0	7.[illegible]	9.0	1.3	81.0	NA	NA	1.3
1974	100.0	[illegible]	10.6	1.2	76.6	NA	NA	1.7
1975	100.0	[illegible]	11.3	1.2	78.6	NA	NA	1.3
1976	100.0		14.7	1.4	78.1	NA	NA	0.9
1977	100.0	7.3	14.4	0.9	68.2	5.0%	2.9%	1.3
1978	100.0	10.0	12.3	0.9	68.2	5.7	2.4	0.5
1979	100.0	10.2	11.4	0.9	70.1	5.4	1.6	0.4
1980	100.0	9.1	11.3	0.9	71.2	4.9	2.4	0.2

As tables on pages 28 and 29 show, the oil category remained in the position of the largest common stockholding in portfolios of the 40 largest mutual funds with a total of $4.5 billion or 22.4 percent of the total. Electric Equipment & Electronics was second with $1.7 billion or 8.5 percent. Office equipment was third with $1.5 billion or 7.5 percent. Drugs and cosmetics was fourth with $1.4 billion or 7.0 percent.

1. By Company – Mutual fund portfolios contain securities issued by various companies. Various state securities laws and regulations prescribe certain requirements for diversification by companies; the Investment Company Act of 1940 requires certain minimum diversification standards for a mutual fund to qualify as a diversified company; and the Internal Revenue Code requires a certain measure of diversification by company for a fund to qualify as a regulated investment company (see page 33).

2. By Industry – Most mutual fund companies diversify their portfolios by including securities issued by companies in many different industries.

3. By Security Type – Many mutual funds diversify by including different types of securities in their portfolios: bonds, preferred stock, common stock, etc. Balanced funds, for example, utilize this method of diversification.

4. By Timing Purchases and Sales – Mutual fund managements establish a range of price levels for purchases and sales as appropriate to conditions. Purchasing and selling over periods of time tend to diversify costs or sale prices.

Investment Objectives

The investment objectives of mutual funds reflect the objectives of investors generally. Through the mutual fund the objective is pursued with the advantages of diversification and professional management. Some companies aim for long-term growth of capital and income, others stress current income, and some put capital stability first. Thus, although no company can assure that its objectives will be reached due to the risk inherent in investing, an investor can usually find companies with goals similar to his own.

No two mutual funds use precisely the same means for pursuing their investment objectives. From the various types of corporate securities, company management selects those which, in its opinion, provide the best means of carrying out the fund's objectives. Thus, the portfolios of investment companies differ. Some utilize common stocks, others preferred stocks or corporate bonds; still others may have combinations of these types of securities.

Common Stock Funds

Some mutual funds concentrate almost entirely on the so-called "blue-chip" common stocks, those issued by large and well-known corporations which are leaders within their respective fields and which have long records of satisfactory dividend payments and earnings, and responsible management.

Others may specialize in so-called "growth" company stocks, which, because of the nature of their products or services or financing or other reasons, are believed to offer opportunities for substantially increased income and profits in the future as the companies develop.

There are some common stock mutual funds which specialize in a particular industry or related industries, usually investing in the securities of many different firms in that industry or group of industries. A few

emphasize investment in enterprises in a certain geographical area and some even in a single state.

Balanced Funds

The managers of balanced funds invest in varying proportions of fixed-income securities and common stocks. Most balanced funds have more conservative investment policies than do typical common stock funds. As a result, most balanced funds rarely show as large a gain during rising markets as do most common stock funds. On the other hand, they tend to decline less in a declining market and to exhibit less fluctuation in investment income dividends.

Bond Funds

Funds of this type seek to generate current income by investing primarily in senior securities. Some funds tend to concentrate in high-grade bonds, while others may have a mixture of high, medium, and lower grade bonds. Funds in the former group tend to provide shareholders with a greater degree of safety but usually less income than those in the latter group.

Municipal Bond Funds

These funds aim for income by investing in a broad range of tax-exempt bonds issued by states, cities and other local governments. The interest obtained from these bonds is passed through to shareowners free of federal tax.

Money Market Funds

Money market funds provide current income and relative safety of principle by investing in short-term securities such as Treasury Bills, Bank Certificates of Deposit, Bankers Acceptances, and Commercial Paper. While the value of such portfolios are subject to some fluctuation because of changes in interest rates and credit risk, these price movements are relatively minor when compared to long-term debt instruments or equities.

Option Income Funds

The investment objective of these funds is to seek a high current return by investing primarily in dividend-paying common stocks on which call options are traded on national securities exchanges. Current return generally consists of dividends, premiums from expired call options, net short-term gains from sales of portfolio securities on exercises of options or otherwise, and any profits from closing purchase transactions.

Short-Term Municipal Bond Funds

The portfolio maturities of these funds do not exceed two years. They are sometimes called "Tax-Exempt Money Market Funds."

Mutual funds stand ready to redeem their shares at any time, providing the investor with a ready cash market for his shares.

REGULATION AND TAXATION

Mutual funds are closely regulated by federal and state governments. The laws governing the investment company industry are designed to guard against abuses in the operation of such companies. These laws require exhaustive disclosure regarding activities of investment companies and their personnel, and entail continued regulation of operations. Properly, however, they do not include supervision of management's exercise of investment judgment.

The major federal statutes regulating investment companies are the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940.

The Securities Act of 1933 requires the filing of full information with respect to the offering of securities and the company that is making it. In addition, the Act provides for accurate information to be furnished to shareholders. It has a constant impact upon most mutual funds, which are, in the main, constantly offering shares to the public and hence are in continuous registration under the law.

The Securities Exchange Act of 1934 most affects investment companies in its requirements for solicitation of proxies and the making of periodic reports, and in its requirements concerning the training and conduct of salesmen.

The Investment Company Act of 1940, in the drafting of which responsible leaders of the investment company industry cooperated with the Securities and Exchange Commission, regulates the creation and structure and many of the operations of investment companies. It prescribes standards, among other things, for the composition of the board of directors, and regulates the management and underwriting contracts of these companies. The Investment Advisers Act of 1940 regulates the activities of investment advisers to mutual funds.

These federal acts are administered by the Securities and Exchange Commission which makes rules and regulations to carry out their purposes.

To this day there is cooperation and exchange of information between the mutual fund industry, through the Investment Company Institute, and the SEC and its staff, both of which are concerned with the interests of shareholders, investors, and the public.

In addition to these federal statutes, investment companies are affected by state laws under which investment companies are organized and which govern the offering and sale of securities. The latter are often referred to as "blue sky" laws.

These federal and state laws do not guarantee that mutual fund shares will go up in value, or that they will not go down in value. They are designed for the protection of members of the investing public, who, when they invest, assume the risk. They are designed, among other things, to insure that members of the public are informed of the risk which they assume when they invest.

Conduit Theory: An extra layer of taxation is avoided under the "conduit theory" which applies to most investment companies, through which shareholders are placed in substantially the same position as if they held directly the securities in the investment company's portfolio.

Provided that the investment company qualifies under Subchapter M of the Internal Revenue Code, there is no Federal income tax payable at

the investment company level on dividends and interest received by the company and distributed to its shareholders. In addition, there is no tax to the company on capital gains realized by it that are distributed to the shareholders.

In order to qualify, the open-end company must, among other things, distribute to its shareholders at least 90 percent of dividends and interest received. Thus, a shareholder who receives investment income dividends and capital gains distributions from a qualifying investment company receives them without any intermediary tax being levied on the investment company. The shareholder must report the receipt of these payments on his tax return.

HOW SHARES ARE SOLD

Unlike corporate securities and the shares of closed-end investment companies, which are bought and sold on national exchanges and in the over-the-counter market, the shares of mutual funds may be acquired by the investor in several different ways.

The key organization in distribution of most mutual fund shares is the underwriter. Through a contract arrangement with the mutual fund offering shares, the underwriter has exclusive distribution rights, usually on a national basis.

Dealer to Investor: The underwriter carries on a wholesale function in mutual fund distribution. Representatives of the underwriter distribute to retailers—securities dealers and brokers. The underwriters support the retail selling effort through various sales promotions and personal contact. The dealer, in turn, deals directly with the public—the potential purchasers of mutual fund shares.

Most retail firms distributing mutual fund shares are members of the National Association of Securities Dealers. This organization provides self-policing of its member firms in the distribution of mutual fund shares, as well as in other over-the-counter securities transactions.

To a greater and greater extent, retail distribution is taking on the aspects of financial planning. The basic product is being made more and more adaptable to the individual investor's needs and is being presented as one of several building blocks in an overall financial plan which includes life insurance, fixed dollar savings and individual securities in addition to mutual fund shares.

Underwriter to Investor: A second major distribution method is direct selling. In this case the retail securities dealer is not utilized. The underwriter organization carries on, in addition to the wholesale function, the retail function by the employment of sales representatives to approach the investing public.

Fund to Investor: A third distribution method encompasses mutual funds which for practical purposes deal directly with the investor without a distribution organization. The shares of most of these funds are sold to the public without any sales charge.

Pricing: The offering prices and redemption prices of mutual fund shares are determined with reference to the current market value of the underlying investments in the fund's portfolio. This "asset value per share," determined by most companies at least once a day, is calculated by dividing the current market value of the company's total net assets by the number of its shares outstanding.

The offering price, which usually includes a distribution charge, is fully explained in the mutual fund's prospectus. The buyer of mutual fund shares pays the offering price which includes a sales charge, in most cases, of 7.5—8.5 percent of the price—depending upon the amount of his purchase and the rates set by the individual fund. Lower rates usually apply on larger purchases. Mutual funds generally redeem their outstanding shares at their current net asset value.

Broad Interest: The many different methods used in the distribution of mutual fund shares have generated a

broad interest in such shares among individuals, families, and institutions in every one of the 50 states and in many nations of the free world.

Thus, the wide distribution pattern of the funds is specially significant, for it indicates that ownership of mutual fund shares is providing many people with an opportunity to participate in the equity ownership of American business.

As the concept of collective investment through mutual funds has been gaining wide acceptance in this country, the idea itself is being used today in many nations of the free world in forms adapted to local requirements.

MONEY MARKET FUNDS
ASSET COMPOSITION
Year-End, 1978-80
(In Millions of Dollars)

	1978	1979	1980
Total Net Assets	$10,858.0	$45,214.2	$74,447.7
U.S. Treasury Bills	1,489.3A	1,621.3	2,920.4
Other Treasury Securities	.0	4,020.2A	554.2
Other U.S. Securities	.0	.0	4,753.6
Repurchase Agreements	.0	.0	5,642.8
Commercial Bank CD(1)	5,293.8B	18,128.4B	19,691.3
Other Domestic CD(2)	.0	.0	1,330.1
Eurodollar CD(3)	.0	.0	6,769.3
Commercial Paper	2,842.0	14,453.3	25,026.1
Bankers' Acceptances	764.7	4,844.9	6,534.6
Cash Reserves	68.2	67.0	165.9
Other	400.0C	2,079.1C	1,059.4
Average Maturity(4)	42	34	24
Number of Funds	61	76	96

(1) Commercial bank CDs are those issued by American banks located in the U.S.
(2) Other Domestic CDs include those issued by S&L's and American branches of foreign banks.
(3) Eurodollar CDs are those issued by foreign branches of domestic banks and some issued by Canadian banks; this category includes some one day paper.
(4) Maturity of each individual security in the portfolio at end of month weighted by its value.

A. Includes other US securities.
B. Includes other domestic CDs and Eurodollars deposits.
C. Includes repurchase agreements.

MONEY MARKET FUNDS*

(Dollars in Millions)

Year End	Total Sales	Total Redemptions	Total Net Sales	Total Number Of Funds	Total Accounts Outstanding	Average Maturity (Days)	Total Net Assets
1974	$ 2,229.2	$ 556.0	$ 1,673.2	15	n.a.	n.a.	$ 1,715.1
1975	6,843.2	5,966.2	877.0	36	208,777	93	3,695.7
1976	9,360.9	9,609.2	—248.3	48	180,676	110	3,685.8
1977	10,673.0	10,662.7	10.3	50	177,522	76	3,887.7
1978	30,452.2	24,294.5	6,157.8	61	467,803	42	10,858.0
1979	111,855.1	78,363.4	33,491.7	76	2,307,852	34	45,214.2
1980	232,168.3	204,467.5	27,700.8	96	4,745,572	24	74,447.7

*A small percentage of funds report assets and liquid assets but not sales and redemptions. In the interest of comparability, these latter two sets of figures have been adjusted upward.

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1980

(In Thousands of Dollars)

	BROKER-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
New England	$736,348	$99,791	$455,580	$1,291,719
Maine	12,752	4,133	9,799	26,684
New Hampshire	15,068	4,690	14,905	34,663
Vermont	14,342	3,056	6,321	23,719
Massachusetts	564,686	37,915	284,820	887,421
Rhode Island	15,510	8,310	23,953	47,773
Connecticut	113,990	41,687	115,782	271,459
Middle Atlantic	$1,032,296	$180,953	$953,135	$2,166,384
New York	596,433	77,254	561,648	1,235,335
New Jersey	132,748	34,131	137,982	304,861
Pennsylvania	303,115	69,568	253,505	626,188
East North Central	$534,175	$200,235	$656,297	$1,390,707
Ohio	131,337	59,794	166,341	357,472
Indiana	41,526	19,180	39,744	100,450
Illinois	162,171	55,233	260,593	477,997
Michigan	138,818	46,831	105,551	291,200
Wisconsin	60,323	19,197	84,068	163,588
West North Central	$362,901	$176,234	$180,799	$719,934
Minnesota	59,161	46,729	49,020	154,910
Iowa	34,298	31,744	20,430	86,472
Missouri	165,709	37,116	85,038	287,863
North Dakota	6,310	4,676	2,390	13,376
South Dakota	11,216	10,245	3,486	24,947
Nebraska	29,772	17,839	7,193	54,804
Kansas	56,435	27,885	13,242	97,562
South Atlantic	$781,309	$126,425	$795,870	$1,703,604
Delaware	9,693	2,409	25,635	37,737
Maryland	113,860	10,191	219,869	343,920
District of Columbia	97,988	2,578	58,007	158,573
Virginia	47,982	16,708	86,267	150,957
West Virginia	17,323	5,389	5,262	27,974
North Carolina	56,561	12,498	50,218	119,277
South Carolina	18,801	5,071	44,442	68,314
Georgia	123,383	17,660	75,449	216,492
Florida	295,718	53,921	230,721	580,360

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR 1980

(In Thousands of Dollars)

	BROKERS-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
East South Central	$102,257	$30,905	$76,213	$209,375
Kentucky	19,330	5,382	14,486	39,198
Tennessee	48,400	12,823	34,386	95,609
Alabama	24,614	7,498	21,267	53,379
Mississippi	9,913	5,202	6,074	21,189
West South Central	$337,495	$60,564	$141,600	$539,659
Arkansas	10,661	7,612	9,138	27,411
Louisiana	51,292	4,494	13,312	69,098
Oklahoma	21,722	9,487	11,366	42,575
Texas	253,820	38,971	107,784	400,575
Mountain	$225,638	$51,165	$95,829	$372,632
Montana	8,899	7,291	3,046	19,236
Idaho	17,542	5,581	3,163	26,286
Wyoming	4,085	1,370	1,732	7,187
Colorado	87,825	14,250	26,773	128,848
New Mexico	8,267	4,724	7,710	20,701
Arizona	82,606	14,613	28,470	125,689
Utah	10,446	1,712	16,343	28,501
Nevada	5,968	1,624	8,592	16,184
Pacific	$611,645	$144,195	$540,310	$1,296,150
Alaska	15,537	561	1,566	17,664
Washington	62,385	27,700	57,019	147,104
Oregon	51,895	17,505	18,236	87,636
California	467,660	95,358	453,413	1,016,431
Hawaii	14,168	3,071	10,076	27,315
U.S. Territories & Possessions	$8,427	$282	$12,549	$21,258
Canada	$79,847	$50	$10,641	$90,538
Other Countries	$21,422	$468	$169,895	$191,785
TOTAL	$4,833,760	$1,071,267	$4,088,718	$9,993,745

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1980

(Percentage of Total)

	BROKER-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
New England	15.24%	9.32%	11.14%	12.93%
Maine	0.27	0.39	0.24	0.27
New Hampshire	0.31	0.44	0.36	0.34
Vermont	0.30	0.29	0.15	0.24
Massachusetts	11.68	3.54	6.97	8.88
Rhode Island	0.32	0.77	0.59	0.48
Connecticut	2.36	3.89	2.83	2.72
Middle Atlantic	21.36%	16.89%	23.31%	21.68%
New York	12.34	7.21	13.74	12.36
New Jersey	2.75	3.19	3.37	3.05
Pennsylvania	6.27	6.49	6.20	6.27
East North Central	11.05%	18.69%	16.05%	13.92%
Ohio	2.72	5.58	4.07	3.58
Indiana	0.86	1.79	0.97	1.01
Illinois	3.35	5.16	6.37	4.78
Michigan	2.87	4.37	2.58	2.91
Wisconsin	1.25	1.79	2.06	1.64
West North Central	7.51%	16.45%	4.42%	7.20%
Minnesota	1.22	4.36	1.20	1.55
Iowa	0.71	2.96	0.50	0.86
Missouri	3.43	3.46	2.08	2.88
North Dakota	0.13	0.44	0.06	0.13
South Dakota	0.23	0.96	0.09	0.25
Nebraska	0.62	1.67	0.17	0.55
Kansas	1.17	2.60	0.32	0.98
South Atlantic	16.16%	11.80%	19.47%	17.05%
Delaware	0.20	0.23	0.63	0.38
Maryland	2.35	0.95	5.38	3.44
District of Columbia	2.03	0.24	1.42	1.59
Virginia	0.99	1.56	2.11	1.51
West Virginia	0.36	0.50	0.13	0.28
North Carolina	1.17	1.17	1.23	1.19
South Carolina	0.39	0.47	1.09	0.68
Georgia	2.55	1.65	1.84	2.17
Florida	6.12	5.03	5.64	5.81

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATE AND GEOGRAPHICAL REGIONS

BY METHOD OF DISTRIBUTION

YEAR, 1980

(Percentage of Total)

	BROKER-DEALERS	DIRECT SELLERS	NO-LOAD	TOTAL
East South Central	2.12%	2.88%	1.86%	2.10%
Kentucky	0.40	0.50	0.35	0.39
Tennessee	1.00	1.20	0.84	0.96
Alabama	0.51	0.70	0.52	0.54
Mississippi	0.21	0.48	0.15	0.21
West South Central	6.98%	5.65%	3.46%	5.40%
Arkansas	0.22	0.71	0.22	0.27
Louisiana	1.06	0.42	0.32	0.69
Oklahoma	0.45	0.88	0.28	0.43
Texas	5.25	3.64	2.64	4.01
Mountain	4.67%	4.78%	2.34%	3.73%
Montana	0.18	0.68	0.07	0.19
Idaho	0.36	0.52	0.08	0.26
Wyoming	0.09	0.13	0.04	0.07
Colorado	1.82	1.33	0.65	1.29
New Mexico	0.17	0.44	0.19	0.21
Arizona	1.71	1.37	0.70	1.26
Utah	0.22	0.16	0.40	0.29
Nevada	0.12	0.15	0.21	0.16
Pacific	12.65%	13.46%	13.22%	12.95%
Alaska	0.32	0.05	0.04	0.17
Washington	1.29	2.59	1.39	1.47
Oregon	1.07	1.63	0.45	0.87
California	9.68	8.90	11.09	10.17
Hawaii	0.29	0.29	0.25	0.27
U.S. Territories & Possessions	0.17%	0.03%	0.31%	0.21%
Canada	1.65%	0.01%	0.26%	0.91%
Other Countries	0.44%	0.04%	4.16%	1.92%
TOTAL	100.00%	100.00%	100.00%	100.00%

INVESTORS IN MONEY MARKET FUNDS

In the spring of 1980, the Investment Company Institute launched a survey to obtain information on purchasers of money market funds (MMFs) and people who were interested in them. The Institute's staff designed a questionnaire to determine what attracted people to these funds. The questionnaire was then sent to approximately 5,000 persons drawn from a file of over 40,000 persons who had written to the Institute requesting information about money market funds. About 36 percent of the questionnaries were returned, an unusually high response rate.

In interpreting the data from this survey, it is necessary to recognize the nature of the environment within which the survey was conducted, as well as unique aspects of the respondents. The environment, for example, was characterized by sharply rising prices and interest rates, developments which encouraged individual investors—large and small—to seek out high-yielding investments that were liquid and safe. The survey respondents, moreover, are unique in that they actively sought information about MMFs.

In brief, our survey results provide a picture of purchasers and interested investors at one point in time, the shape and texture of which was influenced by events immediately preceding the survey. The survey, moreover, does not focus at all on the institutional customers of MMFs who owned almost one-half of the $76.2 billion of assets outstanding at the end of June.

The people who responded to the survey are actively interested individuals who took the initiative to contact the Institute for information about MMFs. About three of four sought information from other sources, and two of five contacted two or more funds. They are presumably careful, self-reliant individuals.

Almost seven of ten respondents were married and about the same number were male. The median income of all respondents is about $26,900 and the median age is 53, both estimates are much higher than the population averages. The respondents owned a variety of financial assets—stocks, bonds, and mutual funds. Almost one of two respondents indicated that more than 30 percent of their total savings and investments were in the form of savings deposits and savings certificates. The emphasis on this type of saving may reflect the cautious, conservative nature of the respondents, as well as age. Over 30 percent of them were age 60 or older.

Since some time had elapsed between the mailing of information about MMFs and the survey questionnaire, it was feasible to ask respondents if they had purchased in the interim. The conversion rate—from interested investor to purchaser—was almost 50 percent, an extraordinarily high rate.

Differences between purchasers and non-purchasers are not particularly evident in their reactions to the product-features embodied in MMFs. Each group ranked yield, safety, and ability to withdraw money without penalty, one, two, three, in the "very important" category. Moreover, while 95.1 percent of the purchasers said high yield was very important, only 28.6 percent ranked free checking that high. Non-purchasers exhibited even less interest in check-writing.

Purchasers were somewhat older than non-purchasers, and they had higher incomes. Perhaps the major difference between the two groups, however, was in their awareness and knowledge of MMFs. Almost 88 percent of purchasers said they had either moderate knowledge of MMFs or were well-informed, compared

with 57.4 percent of the non-purchasers. Assuming this group expands their knowledge of MMFs in the near-term, it is conceivable that the 50 percent who said they probably will buy in 1980 actually did so.

About 63 percent of all purchasers said they had less than $10,000 invested in MMFs. Almost one in ten, however, indicated that they had $30,000 or more invested. On average, multiple-owners had much larger amounts invested than purchasers who owned only one MMF.

The emphasis on "saving" is reflected in the way respondents regard MMFs. More than half said MMFs were part of their longer-term savings program, while one of five said it was a way to achieve liquidity and income while awaiting improvements in stock and bond markets. About one in four thought it was a way to earn income for short periods when they had a temporary surplus of cash.

The attitudes and demographic and financial characteristics of the interested investors surveyed indicate that they are prime prospects for equity and bond funds, as well as MMFs. Virtually all of the respondents indicated some level of knowledge and awareness of MMFs and more than eight of ten recognized that firms that manage them have other types of mutual funds for sale. Ownership and awareness of specific types of funds was also quite high. About 20 percent of all interested investors surveyed reported that they owned stock funds, 5.8 percent owned municipal bond funds, and 5.4 percent owned other types of bond funds.

Investor awareness of the exchange feature – the ability of an investor to switch from one type of fund to another within the complex – is also critical if the institution is to have an opportunity to retain dollars under management. Again, the degree of awareness is encouraging. About eight in ten of the purchasers of MMFs indicated at least some level of awareness that their existing fund could be exchanged for another type if the investment outlook or their financial goals changed.

More than half of the purchasers, moreover, said they would consider buying another type of fund if they redeemed their MMF. Perhaps the main characteristic that distinguished respondents who said they would buy another type of fund from those who answered "no" was age. About 40 percent of the respondents who answered in the negative were age 60 or older, compared with 27 percent of the group who said they would consider another type of fund. Older investors may simply be more reluctant to forego liquidity and safety, even if the long-term potential gain of an equity or bond fund appears promising.

In summary, the group of interested investors included in the Institute's survey is composed of people from all walks of life. They have taken the initiative to learn how a relatively new financial asset, money market funds, can help them cope in an inflationary environment. It is clear that once investors are knowledgeable about MMFs and other types of mutual funds, the chance of their becoming purchasers is greatly increased. However, there is a substantial job still to be done in conveying to the public the information it needs to make efficient choices from among the range of financial products available.

People are interested in Money Market Funds for somewhat different reasons. Please indicate the importance you attach to the following features. (Check more than one if appropriate).

Money Market Fund Features	Very Important No. of Respondents	Very Important Per Cent	Somewhat Important No. of Respondents	Somewhat Important Per Cent	Not Very Important No. of Respondents	Not Very Important Per Cent
Money can be withdrawn at anytime without penalty	1,239	77.0%	328	20.4%	43	2.6%
Small initial investment	901	59.0	498	32.6	129	8.4
No sales charge	1,044	68.7	427	26.1	48	3.2
No time requirement to earn maximum return	1,149	78.2	294	20.0	26	1.8
High current yield	1,562	96.2	57	3.5	4	0.3
Easy to add & withdraw money	1,132	73.9	359	23.5	40	2.6
Relatively safe	1,341	85.9	207	13.3	13	0.8
Free checkwriting	359	25.2	493	34.5	575	40.3
Telephone withdrawal	295	20.8	498	35.2	623	44.0
Daily declaration of dividends	509	36.0	508	35.9	398	28.1
Low expenses	924	65.5	418	29.6	69	4.9
Other	69	76.7	9	10.0	12	13.3

Have you purchased shares in a money market fund since you received the information from the Institute?

	Number of Respondents	Percent Distribution
Yes	821	48.6%
No	868	51.4
	1,689	100.0%

Why did you purchase shares in a Money Market Fund?

	Number of Respondents	Percent Distribution
High yield	606	78.7%
Ease of withdrawal	93	12.1
Reasonably safe	97	12.6
Low initial investments	38	4.9
Other	56	7.3
Refer to features in earlier question	95	12.3
Total	770	*
No response	919	

Do you regard your recent purchase of Money Market Funds primarily as: (Check One)

	Number of Respondents	Percent Distribution
Part of your longer-term savings program	416	51.4%
Way to achieve income, safety, and liquidity while awaiting improvements in stock or bond markets	171	21.1
Way to earn income for short period when temporary surplus of cash is available	193	23.9
Other	29	3.6
Total	809	100.0%
No Response	880	

What circumstances would prompt you to buy shares of Money Market Funds?

	Number of Respondents	Percent Distribution
Capital available	487	41.6%
Higher interest rates	502	42.9
Easy withdrawal	17	1.5
Inflation/money value	81	6.9
Other	133	11.4
Refer to features in earlier question	13	1.1
Total Respondents	1,171	*
No Response	518	

*Sums to more than 100.0% because many of the respondents checked more than one answer.

FIDUCIARY, BUSINESS AND INSTITUTIONAL INVESTORS OF MUTUAL FUNDS EXCLUDING MONEY MARKET FUNDS
1954, 1956-1964, 1966, 1968, 1970, 1972, 1974, 1976, 1978, 1980

Year	Reporting Companies' Assets (In Millions)	Percent Assets of Total Members' Assets	Institutional Accounts In Force	Value of Holdings (In Millions)	Institutional Holdings as a Percent of Assets of Reporting Companies
1954	$ 2,710.9	65.9%	35,821	$ 283.4	10.5%
1956	5,909.8	70.3	61,494	549.8	9.3
1957	7,178.1	79.7	89,559	624.5	8.7
1958	7,478.1	63.4	111,394	793.1	10.6
1959	9,334.8	63.3	165,424	1,133.8	12.1
1960	9,891.6	63.3	219,661	1,171.0	11.8
1961	16,241.8	77.3	282,845	1,686.7	10.4
1962	14,342.1	75.1	299,046	1,539.3	10.7
1963	17,468.9	71.3	361,118	1,648.0	9.4
1964	23,233.6	79.9	427,893	2,603.3	11.2
1966	27,803.2	79.8	707,705	3,984.0	14.3
1968	39,435.1	74.9	878,900	5,859.4	14.9
1970	32,631.1	68.5	1,071,243	6,174.0	18.9
1972	44,696.4	74.7	1,119,243	8,906.9	19.9
1974	26,981.4	75.4	1,440,533	7,116.1	26.4
1976	39,342.2	77.3	1,346,490	10,719.7	27.2
1978*	37,043.3	82.4	1,258,996	9,590.5	25.9
1980	46,864.6	77.7	1,387,692	17,664.8	37.7

NOTE: Survey based on Assets of June 30, 1954, 1956; September 30, 1957 through 1963; December 31, 1964, 1966, 1968, 1970, 1972, 1974, 1976, and 1980. Institutional holdings as a percent of assets of reporting companies is slightly understated prior to 1974 due to limited reporting of Keogh information.

*Revised to exclude Money Market Funds.

RETIREMENT PLANS

One of the major reasons why investors acquire mutual fund shares is to accumulate money for retirement. The federal income tax laws permit the establishment of a number of types of retirement plans which may be funded with mutual fund shares.

Corporate Plans

Corporations are permitted to establish various types of pension and profit-sharing plans covering their employees. Corporate contributions to the plans are tax-deductible and earnings accumulate on a tax-sheltered basis. Corporate plans may be funded in whole or in part with mutual fund shares.

Keogh Plans

A Keogh plan is a vehicle for setting up a retirement fund for self-employed individuals and their eligible employees consisting of tax-deductible contributions and tax-sheltered accumulations of income and capital gains. The maximum tax-deductible contribution for a self-employed person is $7,500 or 15 percent of yearly self-employed income, whichever is less.

For the individual with modest self-employed earnings who would have a severely limited tax deduction under the general Keogh contribution provisions, a Mini-Keogh plan is available. An individual with total adjusted gross income of less than $15,000 may contribute up to 100 percent of his or her self-employed income or $750, whichever is smaller.

At the end of 1980 there were 293,056 individual Keogh accounts invested in mutual funds. These accounts were valued at more than $3.8 billion.

Individual Retirement Accounts

An individual who is not an active participant in an employer- or government-sponsored retirement plan or a 403(b) plan may set up an Individual Retirement Account (IRA). The individual may contribute 15 percent of his or her compensation each year up to $1,500. The amounts contributed each year are tax-deductible. These contributions go into a tax-sheltered program so that all dividends, interest and capital gains are allowed to compound tax-deferred year after year. An individual who qualifies for an IRA and has a spouse who isn't employed may contribute up to 15 percent of his or her income or $1,750, whichever is less.

At the end of 1980 there were 150,179 IRAs funded with mutual fund shares. Total value of these accounts was $761 million, and the average account size was $5,067.

Simplified Pension Plans

Employers who have not established a qualified retirement plan may contribute up to $7,500 or 15 percent of compensation, whichever is less, to individual retirement accounts of their employees. The employer's contribution is tax deductible as compensation paid to the employee, who may deduct the amount from his or her tax return for the year.

Section 403(b) Plans

Section 403(b) of the Internal Revenue Code permits employees of certain charitable organizations and public school systems to establish tax-sheltered retirement programs which may be funded with mutual fund shares.

MUTUAL FUND KEOGH PLANS
YEAR-END, 1967-1980

Year	Number of Funds	Number of Keogh Plans in Force	Number of Participant Accounts in Force	Value of Participant Accounts (In Millions)
1967	93	19,823	29,918	$ 82.2
1968	109	56,682	83,651	184.3
1969	132	100,385	151,190	302.4
1970	151	122,088	200,410	349.8
1971	193	124,682	186,618	593.6
1972	206	159,333	223,451	917.1
1973	237	166,462	227,297	916.5
1974	287	223,752	358,341	1,068.0
1975	288	236,871	366,591	1,547.6
1976	319	241,894	354,296	1,992.5
1977	335	236,495	343,665	1,916.9
1978	349	216,478	314,384	2,161.8
1979	359	204,424	290,987	2,790.7
1980	372	225,029	293,056	3,770.2

MUTUAL FUND
INDIVIDUAL RETIREMENT ACCOUNTS
YEAR-END, 1975-1980

Year	Number Of Funds	Number of IRA Accounts in Force	Value of IRA Accounts (In Millions)	Number of Rollover Accounts in Force	Value of Rollover Accounts (In Millions)
1975	168	26,765	$ 40.1	866	$ 8.1
1976	225	44,862	101.6	3,373	34.3
1977	259	60,854	178.5	6,278	64.4
1978	276	79,742	293.6	8,938	92.3
1979	285	101,838	452.5	12,833	146.4
1980	301	150,179	761.0	16,812	218.7

GLOSSARY OF MUTUAL FUND TERMS

Adviser

The organization which is employed by a mutual fund to give professional advice on its investments and management of its assets.

Aggressive Growth Fund

A mutual fund which seeks maximum capital appreciation through the use of investment techniques involving greater than ordinary risk, such as borrowing money in order to provide leverage, short selling, hedging, options and warrants.

Asked or Offering Price

The price at which a mutual fund's shares can be purchased. The asked or offering price means the current net asset value per share plus sales charge, if any.

Automatic Reinvestment

The option available to mutual fund shareholders whereby fund income dividends and capital gains distributions are automatically put back into the fund to buy new shares and thereby build up holdings.

Balanced Fund

A mutual fund which has an investment policy of "balancing" its portfolio, generally by including bonds, preferred stocks and common stocks.

Bid or Redemption Price

The price at which a mutual fund's shares are redeemed (bought back) by the fund. The bid or redemption price usually means the current net asset value per share.

Bond Fund

A mutual fund whose portfolio consists primarily of bonds. The emphasis of such funds is normally on income rather than growth.

Bookshares

A modern share-recording system which eliminates the need for mutual fund share certificates but gives the fund shareowner a record of his holdings.

Broker-Dealer (or Dealer)

A firm which retails mutual fund shares and other securities to the public.

Capital Gains Distributions

Payments to mutual fund shareholders of gains realized on the sale of the fund's portfolio securities. These amounts usually are paid once a year.

Capital Growth

An increase in market value of a mutual fund's securities which is reflected in the net asset value of fund shares. This is a specific long-term objective of many mutual funds.

Closed-end Investment Company

Unlike mutual funds (known as "open-end funds"), closed-end companies issue only a limited number of shares and do not redeem them (buy them back). Instead, closed-end shares are traded in the securities markets, with supply and demand determining the price.

Common Stock Fund

A mutual fund whose portfolio consists primarily of common stocks. The emphasis of such funds is usually on growth.

Contractual Plan

A program for the accumulation of mutual fund shares in which the investor agrees to invest a fixed amount on a regular basis for a specified number of years. A substantial portion of the sales charge applicable to the total investment is usually deducted from early payments.

Conversion Privilege

See Exchange Privilege.

Custodian

The organization (usually a bank) which holds in custody and safekeeping the securities and other assets of a mutual fund.

Diversification

The mutual fund policy of spreading its investments among a number of different securities to reduce the risks inherent in investing.

Dollar-Cost Averaging

Investing equal amounts of money at regular intervals regardless of whether the stock market is moving upward or downward. This reduces average share costs to the investor who acquired more shares in periods of lower securities prices and fewer shares in periods of higher prices.

Exchange Privilege

Enables a mutual fund shareholder to transfer his investment from one fund to another within the same fund group if his needs or objectives change, generally with a small transaction charge.

Growth Fund

A mutual fund whose primary investment objective is long-term growth of capital. It invests principally in common stocks with growth potential.

Growth-and-Income Fund

A mutual fund whose aim is to provide for a degree of both income and long-term growth.

Income Dividends

Payments to mutual fund shareholders of dividends, interest and short-term capital gains earned on the fund's portfolio securities after deduction of operating expenses.

Income Fund

A mutual fund whose primary investment objective is current income rather than growth of capital. It usually invests in stocks and bonds that normally pay higher dividends and interest.

Index Fund

A mutual fund whose investment objective is to match the composite investment performance of a large group of publicly-traded common stocks, generally those represented by the Standard & Poor's 500 Composite Stock Price Index.

Individual Retirement Account

A retirement program for individuals who are not covered under employer or government retirement plans. An individual may contribute and deduct from his or her income tax an amount up to the lesser of 15 percent of compensation or $1,500. An individual retirement account may be funded with mutual fund shares.

Investment Adviser

See Adviser.

Investment Company

A corporation, trust or partnership in which investors pool their money to obtain professional management and diversification of their investments. Mutual funds are the most popular type of investment company.

Investment Objective

The goal—e.g., long-term capital growth, current income, etc.—which an investor or a mutual fund pursues.

Keogh Plan

A retirement program for self-employed individuals and their employees based on tax-saving provisions. A Keogh plan may be funded with mutual fund shares. (Also known as H.R. 10 Plans.)

Liquid Asset Fund

See Money Market Fund.

Management Fee

The amount paid by a mutual fund to the investment adviser for its services. The average fee industrywide is about one-half of one percent a year of the fund's assets.

Money Market Fund

Also called a liquid asset or cash fund, it is a mutual fund whose primary objective is to make higher interest securities available to the average investor who wants immediate income and high investment safety. This is accomplished through the purchase of high-yield money market instruments such as U.S. government securities, bank certificates of deposit and commercial paper.

Municipal Bond Fund

A mutual fund which invests in a broad range of tax-exempt bonds issued by states, cities and other local governments. The interest obtained from these bonds is passed through to shareowners free of federal tax. The fund's primary objective is current tax-free income.

Mutual Fund

An investment company which ordinarily stands ready to buy back (redeem) its shares at their current net asset value; the value of the shares depends on the market value of the fund's portfolio securities at the time. Also, most mutual funds continuously offer new shares to investors.

Net Asset Value Per Share

The market worth of a mutual fund's total assets—securities, cash and any accrued earnings—after deduction of liabilities, divided by the number of shares outstanding.

No-Load Fund

A mutual fund selling its shares at net asset value without the addition of sales charges.

Open-end Investment Company

The more formal name for a mutual fund, indicating that it stands ready to redeem its shares (buy them back) on demand.

Option Income Fund

The investment objective of these funds is to seek a high current return by investing primarily in dividend-paying common stocks on which call options are traded on national securities exchanges. Current return generally consists of dividends, premiums from expired call options, net short-term gains from sales of port-

folio securities on exercises of options or otherwise, and any profits from closing purchase transactions.

Payroll Deduction Plan

An arrangement whereby an employee may accumulate shares in a mutual fund by authorizing his employer to deduct and transfer to the fund a specified amount from his salary at stated times.

Periodic Payment Plan

See Contractual Plan.

Prospectus

The official booklet which describes the mutual fund and offers its shares for sale. It contains information as required by the Securities and Exchange Commission on such subjects as the fund's investment objectives and policies, services, investment restrictions, officers and directors, how shares can be bought and redeemed, its charges and its financial statements.

Qualified Retirement Plan

A private retirement plan that meets the rules and regulations of the Internal Revenue Service. Contributions to a qualified retirement plan are in almost all cases tax deductible and earnings on such contributions are always tax sheltered until withdrawal.

Redemption Price

The amount per share the mutual fund shareholder receives when he cashes in his shares (also known as "bid price"). The value of the shares depends on the market value of the fund's portfolio securities at the time.

Reinvestment Privilege

A service provided by most mutual funds for the automatic reinvestment of a shareholder's income dividends and capital gains distributions in additional shares.

Sales Charge

An amount charged to purchase shares in many mutual funds. Typically the charge is 8.5 percent of the initial investment. The charge is added to the net asset value per share in the determination of the offering price. (Some funds, which do not have salesmen, have no sales charge.)

Section 403(b) Plan

Section 403(b) of the Internal Revenue Code permits employees of certain charitable organizations and public school systems to establish tax-sheltered retirement programs which may be funded with annuities and mutual fund shares.

Short-Term Municipal Bond Fund

These funds invest in municipal bonds with maturities not exceeding two years. They are also known as Tax-Exempt Money Market Funds.

Simplified Pension Plan

A program in which employers who have not established a qualified retirement plan may contribute up to $7,500 or 15 percent of compensation, whichever is less, to individual retirement accounts of their employees.

Specialty Fund

A mutual fund specializing in the securities of certain industries, special types of securities or in regional investments.

Split Funding

A program which combines the purchase of mutual fund shares with the purchase of life insurance contracts or other products.

Transfer Agent

The organization which is employed by a mutual fund to prepare and maintain records relating to the accounts of its shareholders.

Underwriter or Principal Underwriter

The organization which acts as the distributor of a mutual fund's shares to broker-dealers and the public.

Withdrawal Plans

Many mutual funds offer withdrawal programs whereby shareholders receive payments from their investments at regular intervals. These payments typically are drawn from the fund's dividends and capital gains distributions, if any, and from principal, to the extent necessary.

Variable Annuity

A contract under which an insurance annuity is purchased with a fixed number of dollars which are translated into a varying number of accumulation units. At retirement the annuitant is paid in a fixed number of annuity units monthly which are translated into a varying number of dollars. The value of both accumulation and annuity units varies in accordance with the performance of a portfolio invested in equity securities.

Variable Life Insurance

An equity-based life insurance policy in which the reserves may be invested in common stocks. The death benefit is guaranteed never to fall below the face value, but it could increase if the value of the securities increases. There may be no guaranteed cash surrender value under this kind of policy.

Voluntary Plan

A flexible accumulation plan in which there is no definite time period or total amount to be invested.

APPENDIX

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FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS EXCLUDING MONEY MARKET FUNDS

Value of Holdings, 1964, 1966, 1968, 1970 and 1972
(In Thousands of Dollars)

	1964	1966	1968	1970	1972
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)	$1,488,951	$2,420,515	$3,290,530	$3,106,373	$4,711,704
Business Corporations	253,382	424,903	845,908	645,425	732,291
Employee Pensions and Profit Sharing Funds	311,991	414,387	614,118	816,699	1,490,871
Insurance Companies and Other Financial Institutions	103,919	109,693	243,732	648,626	317,477
Unions	11,306	15,450	33,612	9,291	19,676
Total Business Organizations	$ 680,628	$ 994,633	$1,737,370	$2,320,041	$2,563,315
Churches and Religious Organizations	73,925	85,684	112,392	82,399	101,404
Fraternal, Welfare and Other Public Associations	80,927	91,344	107,600	91,308	88,993
Hospitals, Sanitariums, Orphanages, etc.	42,416	41,976	42,794	44,539	40,333
Schools and Colleges	50,678	57,594	48,946	53,647	49,410
Foundations	N.A.	N.A.	N.A.	N.A.	N.A.
Total Institutions and Foundations	$ 248,846	$ 275,698	$ 311,562	$ 271,893	$ 280,140
Other Institutional Investors Not Classified (a)	$ 184,905	$ 293,120	$ 519,959	$ 475,737	$1,351,734
TOTAL	$2,603,330	$3,983,966	$5,859,421	$6,174,044	$8,906,893

(a) Includes institutional accounts which are not split under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 74.9% net assets in 1964, 79.6% in 1966, 74.9% in 1968, 66.5% in 1970, and 74.7% in 1972.

N.A.—Not Available

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
EXCLUDING MONEY MARKET FUNDS
Value of Holdings, 1974, 1976, 1978 and 1980
(In Thousands of Dollars)

	1974	1976	1978R	1980
Fiduciaries (Banks and Individuals Servings as Trustees, Guardians and Administrators)	$2,896,796	$ 4,133,157	$ 3,623,262	$ 6,690,185
Business Corporations	815,556	964,166	1,366,896	2,911,514
Employee Pension and Profit Sharing Funds*	1,869,801	3,642,519	4,081,748	6,977,200
Insurance Companies and Other Financial Institutions	52,300	518,674	118,871	180,800
Unions	15,000	19,950	50,000	99,200
Total Business Organizations	$3,354,453	$ 5,258,516	$ 5,142,775	$ 9,769,699
Churches and Religious Organizations	52,500	70,000	93,000	160,000
Fraternal, Welfare and Other Public Associations	86,000	100,000	120,000	192,000
Hospital, Sanitarium, Orphanages, etc.	5,000	10,000	12,000	21,000
Schools and Colleges	45,000	100,000	120,000	192,000
Foundations	50,000	100,000	120,000	160,000
Total Institutions and Foundations	$ 239,573	$ 370,240	$ 255,459	$ 725,911
Other Institutional Investors Not Classified (a)	$ 625,479	$ 957,775	$ 569,086	$ 479,008
TOTAL	$7,116,101	$10,719,688	$9,590,602	$17,664,833

(a) Includes investments by investment companies, investment advisory clients, and investments which could not be classified by type of investor.

*This Data Is Not Included In Total Because It Is Already Included In Business Corporations, Insurance Companies and Keogh Trusts.

**This Figure Is Not Comparable To Previous Years Because Of Changes In Reporting Procedures.

NOTE: Data Collected By Questionnaires Sent To Investment Companies In 1975, 1977, 1979, And 1981 Reports.

N.A.—Not Available

R—Revised From Estimate Shown In Previous Report

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
EXCLUDING MONEY MARKET FUNDS
Number of Accounts, 1964, 1966, 1968, 1970, 1972

	1964	1966	1968	1970	1972
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians and Administrators)	373,747	637,701	744,714	810,376	792,911
Business Corporations					24,891
Employee Pension and Profit Sharing Funds					202,890
Insurance Companies					
Other Investment Companies					5,830
Dealers					105
Total Business Organizations					230,956
Charitable and Other Educational Institutions					
Religious, Charitable and Educational Foundations					1,230
Endowments					
Other					
Total Institutional and Foundations					14,840
Other Investors Not Classified					58,516
TOTAL					

NOTE:

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MUTUAL FUNDS
EXCLUDING MONEY MARKET FUNDS
Number of Accounts, 1974, 1976, 1978 and 1980

	1974	1976	1978R	1980
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)	883,898	727,173	694,962	729,792
Business Corporations	33,989	30,160	29,603	36,253
Employee Pension and Profit Sharing Funds*	446,368R	475,444	475,237	555,014
Insurance Companies and Other Financial Institutions	18,646	17,878	13,291	13,460
Unions	1,413	1,758	765	1,039
Total Business Organizations	502,436	524,793	518,896	605,762
Churches and Religious Organizations	7,834	10,201	7,788	8,199
Fraternal, Welfare, Charitable, Public Associations	6,475	6,150	5,911	6,572
Hospitals, Schools, Civic Associations, Etc.	2,100	2,000	1,985	2,145
Surveyed Institutions	518,845	543,144	534,580	624,678
Foundations	2,153	2,153	2,153	2,153
Total Institutional Investors and Foundations	520,998	545,297	536,733	626,831
Other Institutional Investors Not Classified Here	34,321	36,275	36,275	36,275
TOTAL	1,441,653	1,333,498	1,249,866	1,397,898

NOTE: [illegible]

R—Revised to exclude Money Market Funds

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MONEY MARKET MUTUAL FUNDS
Value of Holdings, 1978 and 1980
(In Thousands of Dollars)

	1978	1980
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians and Administrators)	$3,066,560	$15,427,717
Business Corporations	609,760	6,974,270
Employee Pension and Profit Sharing Funds*	449,920	3,235,430
Insurance Companies and Other Financial Institutions	402,560	1,606,128
Unions	5,920	45,758
Total Business Organizations	$1,468,160	$12,061,589
Churches and Religious Organizations	29,600	267,680
Fraternal, Welfare and other Public Associations	47,360	225,139
Hospitals, Sanitariums, Orphanages, Etc.	41,440	216,884
Schools and Colleges	41,440	259,890
Foundations	—	19,706
Total Institutions and Foundations	$159,840	$989,221
Other Institutional Investors Not Classified (a)	$1,225,440	$366,835
TOTAL	$5,920,000	$28,845,362

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 92.9% of net assets in 1978 and 82.4% in 1980.

FIDUCIARY, BUSINESS & INSTITUTIONAL INVESTORS OF MONEY MARKET FUNDS
Number of Accounts, 1978 and 1980

	1978	1980
Fiduciaries (Banks and Individuals Serving as Trustees, Guardians, and Administrators)	79,742	402,824
Business Corporations	13,036	167,235
Employee Pension and Profit Sharing Funds	24,332	216,994
Insurance Companies and Other Financial Institutions	11,811	34,041
Unions	34	840
Total Business Organizations	49,213	439,110
Churches and Religious Organizations	569	9,391
Fraternal, Welfare and Other Public Associations	454	6,156
Hospitals, Sanitariums, Orphanages, Etc.	411	3,884
Schools and Colleges	404	4,763
Foundations	1	579
Total Institutions and Foundations	1,859	24,775
Other Institutional Investors Not Classified (a)	15,315	18,884
TOTAL	146,129	885,593

(a) Includes institutional accounts which do not fall under other classifications and those for which no determination of classification can be made.

NOTE: Reporters of institutional data represented 92.9% of net assets in 1978 and 82.4% in 1980.

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1975-1980

(In Thousands of Dollars)

	1975	1976	1977	1978	1979	1980
New England	$411,128	$518,846	$ 714,652	$736,731	$909,608	$1,291,719
Maine	12,035	10,338	26,176	30,594	44,236	26,684
New Hampshire	8,140	10,825	27,180	25,312	30,258	34,663
Vermont	12,294	13,421	23,734	27,583	23,784	23,719
Massachusetts	200,791	284,689	374,929	392,004	509,759	887,421
Rhode Island	12,623	13,804	26,652	29,399	51,155	47,773
Connecticut	165,245	182,769	235,981	231,839	250,416	271,459
Middle Atlantic	$697,733	$793,999	$1,309,280	$1,487,534	$1,665,484	$2,166,384
New York	451,670	473,958	655,268	785,812	866,177	1,235,335
New Jersey	89,760	98,639	181,597	239,953	249,211	304,861
Pennsylvania	156,303	221,402	472,415	461,769	550,096	626,188
East North Central	$459,134	$582,167	$1,008,399	$1,078,286	$1,235,656	$1,390,707
Ohio	94,049	139,431	235,502	218,110	388,679	357,472
Indiana	43,180	45,699	87,681	99,164	96,490	100,450
Illinois	178,333	219,923	385,441	474,007	413,380	477,997
Michigan	85,432	103,851	192,166	199,579	251,235	291,200
Wisconsin	58,140	73,263	107,609	87,426	85,872	163,588
West North Central	$286,813	$355,522	$603,585	$619,717	$611,396	$719,934
Minnesota	87,605	96,385	148,572	146,951	128,327	154,910
Iowa	40,180	50,142	90,163	87,507	99,966	86,472
Missouri	92,955	135,064	210,756	238,145	227,381	287,863
North Dakota	7,500	8,179	11,798	9,488	9,436	13,376
South Dakota	10,183	11,942	26,788	20,932	22,699	24,947
Nebraska	24,277	25,354	47,637	43,816	42,773	54,804
Kansas	24,114	28,456	67,871	72,878	80,814	97,562
South Atlantic	$466,805	$596,319	$972,652	$1,002,306	$1,166,371	$1,703,604
Delaware	12,569	11,936	22,468	22,395	32,685	37,737
Maryland	76,398	88,999	166,533	103,301	166,525	343,920
D.C.	95,843	74,482	91,060	116,430	126,087	158,573
Virginia	48,452	68,488	111,591	102,686	89,969	150,957
West Virginia	8,736	9,133	20,225	20,600	27,195	27,974
North Carolina	31,585	47,422	67,113	73,492	80,550	119,277
South Carolina	11,399	18,256	27,062	27,877	35,831	68,314
Georgia	39,966	71,837	81,555	104,050	100,601	216,492
Florida	141,857	205,766	385,045	431,475	506,928	580,360

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1975-1980

(In Thousands of Dollars)

	1975	1976	1977	1978	1979	1980
East South Central	$88.818	$100.472	$166.216	$184.873	$226.709	$209.375
Kentucky	24.368	29.042	42.089	44.387	51.964	$39.198
Tennessee	36.936	43.012	69.950	86.176	85.426	95.609
Alabama	14.740	17.284	33.779	37.511	53.467	53.379
Mississippi	12.774	11.134	20.398	16.799	35.852	21.189
West South Central	$131.796	$172.336	$340.628	$388.829	$378.179	$539.659
Arkansas	6.142	11.029	17.509	16.097	20.811	$27.411
Louisiana	18.716	23.005	45.808	41.375	38.651	69.098
Oklahoma	26.004	31.056	66.414	47.178	40.500	42.575
Texas	80.934	107.246	210.897	284.179	275.217	400.575
Mountain	$113.110	$159.068	$260.381	$279.264	$274.570	$372.632
Montana	11.202	12.266	22.797	19.607	18.658	$19.236
Idaho	9.508	12.709	19.884	17.247	14.975	26.286
Wyoming	4.137	4.282	8.327	7.294	8.222	7.187
Colorado	32.510	69.134	91.341	92.271	94.983	128.648
New Mexico	6.952	8.020	13.587	13.823	18.917	20.701
Arizona	36.445	38.213	80.302	107.258	92.841	125.689
Utah	8.555	10.503	14.932	15.547	17.708	28.501
Nevada	3.801	3.941	9.211	6.217	8.266	16.184
Pacific	$582.575	$713.318	$887.774	$867.020	$849.165	$1.296.150
Alaska	1.511	1.627	2.662	3.221	4.773	17.664
Washington	48.398	51.873	89.439	91.037	92.282	147.104
Oregon	49.941	36.843	47.957	37.645	38.765	87.636
California	471.078	609.855	721.749	708.397	675.353	1.016.431
Hawaii	11.647	13.120	25.967	26.720	37.992	27.315
U.S. Territories and Possessions	$6.889	$1.949	$3.574	$4.749	$2.228	$21.258
Canada	$1.740	$ 405	$2.861	$7.469	$18.371	$90.538
Other Countries	$60.672	$116.255	$49.306	$48.521	$127.597	$191.785
TOTAL	$3.307.213	$4.110.656	$6.319.308	$6.705.299	$7.465.334	$9.993.745

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1975-1980

(Percent of Total Reported Purchases)

	1975	1976	1977	1978	1979	1980
New England	12.43%	12.62%	11.31%	10.99%	12.18%	12.93%
Maine	0.36	0.32	0.41	0.46	0.59	0.27
New Hampshire	0.25	0.26	0.43	0.38	0.41	0.34
Vermont	0.37	0.33	0.38	0.41	0.32	0.24
Massachusetts	6.07	6.92	5.93	5.85	6.83	8.88
Rhode Island	0.38	0.34	0.42	0.44	0.68	0.48
Connecticut	5.00	4.45	3.74	3.45	3.35	2.72
Middle Atlantic	21.09%	19.32%	20.72%	22.18%	22.31%	21.68%
New York	13.65	11.53	10.37	11.72	11.60	12.36
New Jersey	2.71	2.40	2.87	3.58	3.34	3.05
Pennsylvania	4.73	5.39	7.48	6.88	7.37	6.27
East North Central	13.88%	14.16%	15.96%	16.08%	16.55%	13.92%
Ohio	2.84	3.39	3.73	3.25	5.21	3.58
Indiana	1.31	1.11	1.39	1.48	1.29	1.01
Illinois	5.39	5.35	6.10	7.07	5.54	4.78
Michigan	2.58	2.53	3.04	2.98	3.36	2.91
Wisconsin	1.76	1.78	1.70	1.30	1.15	1.64
West North Central	8.67%	8.65%	9.55%	9.24%	8.19%	7.20%
Minnesota	2.65	2.34	2.35	2.19	1.72	1.55
Iowa	1.21	1.22	1.43	1.31	1.34	0.86
Missouri	2.81	3.29	3.34	3.55	3.05	2.88
North Dakota	0.23	0.20	0.19	0.14	0.13	0.13
South Dakota	0.31	0.29	0.42	0.31	0.30	0.25
Nebraska	0.73	0.62	0.75	0.65	0.57	0.55
Kansas	0.73	0.69	1.07	1.09	1.08	0.98
South Atlantic	14.12%	14.51%	15.39%	14.95%	15.62%	17.05%
Delaware	0.38	0.29	0.36	0.33	0.44	0.38
Maryland	2.31	2.17	2.64	1.54	2.23	3.44
D.C.	2.90	1.81	1.44	1.74	1.69	1.59
Virginia	1.47	1.67	1.77	1.53	1.20	1.51
West Virginia	0.26	0.22	0.32	0.31	0.36	0.28
North Carolina	0.96	1.15	1.06	1.10	1.08	1.19
South Carolina	0.34	0.44	0.42	0.42	0.48	0.68
Georgia	1.21	1.75	1.29	1.55	1.35	2.17
Florida	4.29	5.01	6.09	6.43	6.79	5.81

INVESTOR PURCHASES OF MUTUAL FUND SHARES BY STATES AND GEOGRAPHICAL REGIONS, 1975-1980

(Percent of Total Reported Purchases)

	1975	1976	1977	1978	1979	1980
East South Central	2.70%	2.44%	2.63%	2.76%	3.04%	2.10%
Kentucky	0.74	0.71	0.67	0.66	0.70	0.39
Tennessee	1.12	1.04	1.11	1.29	1.14	0.96
Alabama	0.45	0.42	0.53	0.56	0.72	0.54
Mississippi	0.39	0.27	0.32	0.25	0.48	0.21
West South Central	4.00%	4.19%	5.39%	5.80%	5.07%	5.40%
Arkansas	0.19	0.27	0.28	0.24	0.32	0.27
Louisiana	0.57	0.56	0.72	0.62	0.52	0.69
Oklahoma	0.79	0.75	1.05	0.70	0.54	0.43
Texas	2.45	2.61	3.34	4.24	3.69	4.01
Mountain	3.42%	3.87%	4.12%	4.17%	3.68%	3.73%
Montana	0.34	0.30	0.36	0.29	0.25	0.19
Idaho	0.29	0.31	0.31	0.26	0.20	0.26
Wyoming	0.13	0.10	0.13	0.11	0.11	0.07
Colorado	0.98	1.68	1.45	1.38	1.27	1.29
New Mexico	0.21	0.19	0.22	0.21	0.26	0.21
Arizona	1.10	0.93	1.27	1.60	1.24	1.26
Utah	0.26	0.26	0.24	0.23	0.24	0.29
Nevada	0.11	0.10	0.14	0.09	0.11	0.16
Pacific	17.60%	17.35%	14.05%	12.93%	11.37%	12.95%
Alaska	0.05	0.04	0.04	0.05	0.06	0.17
Washington	1.46	1.26	1.42	1.36	1.23	1.47
Oregon	1.51	0.90	0.76	0.56	0.52	0.87
California	14.23	14.83	11.42	10.56	9.05	10.17
Hawaii	0.35	0.32	0.41	0.40	0.51	0.27
U.S. Territories and Possessions	0.21%	0.05%	0.06%	0.07%	0.03%	0.21%
Canada	0.05%	0.01%	0.04%	0.11%	0.25%	0.91%
Other Countries	1.83%	2.83%	0.78%	0.72%	1.71%	1.92%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.0%

ASSETS OF MAJOR INSTITUTIONS AND FINANCIAL INTERMEDIARIES

(In Millions of Dollars)

	1975	1976	1977	1978	1979	1980
Savings Institutions						
Commercial Banks	$964,900	$1,030,700	$1,166,000	$1,284,000	$1,351,000	$1,576,600A
Credit Unions	38,037	45,225	53,755	62,348	65,854	71,709
Mutual Savings Banks	121,056	134,812	147,287	158,174	163,405R	171,828E
Savings & Loan Associations	338,233	391,907	459,241	523,542	578,962R	629,676
Insurance						
Fire & Casualty	$ 93,338	$112,091	$134,339	$158,855	$165,646R	$206,146E
Life	289,304	321,552	351,722	389,924	432,282R	477,279E
Investment Institutions						
Bank Administered Trusts	$397,218	$486,603	$502,715	$441,801B	$502,986	N/A
Closed-End Investment Companies	8,952	9,319	7,373	8,039	7,655C	7,920
Mutual Funds	45,824*	50,908*	48,548*	55,838*	94,511*	134,761*
Pension Funds						
—Book Value (non-insured)	$145,260	$160,144	$181,309	$202,218	$223,465	N/A
—Market Value	145,670	170,986	161,569	204,543	229,188	N/A
Government —Book Value	189,932	207,882	227,907	251,100	N/A	N/A

A—As of September 30, 1980

B—Not comparable with past years due to the new Accounting Principles Board Opinion No. 30 which requires trusts and agency assets to be reported at market value rather than cost.

*Includes Short Term Funds

R—Revised

E—Estimate

TOTAL NET ASSETS, CASH POSITION, SALES AND REDEMPTIONS OF SHARES

ANNUALLY, 1966-1980

(In Millions of Dollars)

Year	Total Net Assets Year-End	Cash Position	Sales	Redemptions
1966	$ 34,829.4	$ 2,971.4	$ 4,671.8	$ 2,005.1
1967	44,701.3	2,566.1	4,669.6	2,744.2
1968	52,677.2	3,186.7	6,819.8	3,838.7
1969	48,290.7	3,845.5	6,718.3	3,661.6
1970	47,618.1	3,649.0	4,625.8	2,987.6
1971	55,045.3	3,038.5	5,147.2	4,750.2
1972	59,830.6	3,035.1	4,892.5	6,562.9
1973	46,518.5	4,001.9	4,359.3	5,651.1
1974				
Mutual Funds	34,061.7	3,922.0	3,091.5	3,380.9
Money Market Funds	1,715.0	1,715.0	2,229.2	556.0
1975				
Mutual Funds	42,178.7	3,748.3	3,307.2	3,686.3
Money Market Funds	3,695.7	3,684.7	6,843.2	5,966.2
1976				
Mutual Funds	47,581.8	2,747.4	4,360.3	6,801.2
Money Market Funds	3,685.8	3,669.9	9,360.9	9,609.2
1977				
Mutual Funds	45,519.0	2,278.1	5,109.7	6,026.0
Money Market Funds	3,587.1	3,582.2	10,577.0	10,662.7
1978				
Mutual Funds	53,019.1	3,536.7	6,085.3	7,232.4
Money Market Funds	10,888.2	10,119.2	24,453.9	24,294.5
1979				
Mutual Funds	95,432.8	4,668.8	9,836.0	8,194.9R
Limited Maturity	1,172	1.0	6.2	2.4 6
Money Market	45,153.1	45,142.1	113,618.1	78,363.4
1980				
Mutual Funds	135,329.7	6,252.1	14,944.7	8,210.1
Limited Maturity	1,810	1,794.1	2,203.0	1,809.2
Money Market	74,447.2	74,447.2	213,168.0	204,457.5

R-Revised

TOTAL NET ASSETS AND CASH POSITION BY FUND CHARACTERISTICS

Year-end (In Millions of Dollars)

	1973		1974		1975		1976	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
TOTAL NET ASSETS	$46,518.5	100.0%	$34,061.8	100.0%	$42,178.7	100.0%	$47,581.8	100.0%
Method of Distribution:								
Broker-Dealer	30,472.2	65.5	22,239.6	65.3	27,296.1	64.7	30,088.4	63.2
Direct Selling	9,855.9	21.2	7,445.6	21.9	9,305.8	22.1	10,168.3	21.4
No-Load	4,885.8	10.5	3,553.1	10.4	4,601.6	10.9	6,026.9	12.7
Other*	1,304.6	2.8	823.5	2.4	975.2	2.3	1,298.2	2.7
Investment Objective:								
Aggressive Growth	2,396.0	5.2	1,518.4	4.5	2,011.4	4.8	2,202.7	4.6
Growth	15,673.9	33.6	11,029.5	32.4	13,680.3	32.4	13,855.3	29.1
Growth-&-Income	18,872.5	40.6	13,755.1	40.4	16,703.8	39.6	18,233.3	38.3
Balanced	6,051.6	13.0	4,569.5	13.4	5,099.4	12.1	4,898.6	10.3
Income	3,524.5	7.6	3,189.3	9.3	2,468.5	5.9	4,589.6	9.7
Bond**	N.A.	N.A.	N.A.	N.A.	2,215.3	5.2	3,255.5	6.8
Municipal Bond	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	546.3	1.2
Option Income	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
NET CASH AND EQUIVALENT	$ 3,425.6	100.0%	$ 3,357.2	100.0%	$ 3,208.5	100.0%	$ 2,351.8	100.0%
Method of Distribution:								
Broker-Dealer	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Direct Selling	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
No-Load	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Investment Objective:								
Aggressive Growth	252.4	7.3	237.5	7.1	241.4	7.5	92.8	3.9
Growth	1,465.6	42.8	1,518.1	45.2	1,173.8	36.6	810.7	34.5
Growth-&-Income	1,198.3	35.0	1,036.4	30.9	1,187.5	37.0	814.0	34.6
Balanced	290.7	8.5	315.7	9.4	243.0	7.6	211.2	9.0
Income	218.6	6.4	249.5	7.4	164.9	5.1	172.5	7.3
Bond**	N.A.	N.A.	N.A.	N.A.	197.9	6.2	235.5	10.0
Municipal Bond	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	15.1	0.7
Option Income	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Exchange funds and others not currently offering shares; sales represent reinvested dividends

**Prior to 1975 figures for Bond Funds were included in the Income category

TOTAL NET ASSETS AND CASH POSITION BY FUND CHARACTERISTICS

Year-end (In Millions of Dollars)

	1977		1978		1979R		1980	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
TOTAL NET ASSETS	$45,049.2	100.0%	$44,979.7	100.0%	$48,979.5	100.00%	$58,399.6	100.0%
Method of Distribution:								
Broker-Dealer	25,745.1	57.1	25,684.7	57.1	26,233.8	53.6	32,032.4	54.9
Direct Selling	9,136.9	20.3	8,852.2	19.7	8,720.2	17.8	9,176.7	15.7
No-Load	8,988.8	20.0	9,407.4	20.9	12,729.6	26.0	15,643.5	26.8
Other*	1,178.4	2.6	1,035.4	2.3	1,295.9	2.6	1,543.0	2.6
Investment Objective:								
Aggressive Growth	2,212.5	4.9	2,329.9	5.2	2,964.8	6.1	4,681.3	8.0
Growth	11,652.7	25.9	11,380.9	25.3	13,010.4	26.6	16,823.4	28.8
Growth-&-Income	16,098.1	35.7	15,237.9	33.9	16,462.3	33.6	19,522.6	33.4
Balanced	4,108.9	9.1	3,722.5	8.3	3,438.0	7.0	3,389.2	5.8
Income	4,364.3	9.8	4,557.8	10.1	5,086.5	10.4	4,801.8	8.2
Bond**	3,999.3	8.8	4,700.2	10.4	3,006.4	6.1	5,712.6	9.8
Municipal Bond	2,276.3	5.1	2,631.6	5.9	4,542.1	9.3	2,908.3	5.0
Option Income	337.1	0.7	418.9	0.9	469.0	0.9	560.4	1.0
NET CASH AND EQUIVALENT	$ 3,292.8	100.0%	$ 4,506.7	100.0%***	$4,683.8	100.0%	$ 5,321.1	100%
Method of Distribution:								
Broker-Dealer	1,885.4	57.3	2,366.3	52.5	2,169.8	46.3	2,778.3	52.2
Direct Selling	678.8	20.6	1,004.7	22.3	978.1	20.9	1,130.0	21.2
No-Load	679.9	20.6	1,078.6	23.9	1,482.1	31.6	1,359.2	25.6
Other*	48.7	1.5	57.1	1.3	53.8	1.2	53.6	1.0
Investment Objective:								
Aggressive Growth	288.6	8.8	323.9	7.2	443.5	9.5	529.4	9.9
Growth	1,069.2	32.5	1,069.4	23.7	1,125.6	24.0	1,510.5	28.4
Growth-&-Income	983.0	29.8	994.1	22.1	1,000.7	21.4	1,675.4	31.5
Balanced	224.3	6.8	297.4	6.6	251.2	5.4	309.4	5.8
Income	265.8	8.1	543.0	12.1	492.6	10.5	379.0	7.1
Bond**	301.1	9.1	966.4	21.4	993.0	21.2	606.8	11.4
Municipal Bond	136.8	4.2	266.7	5.9	318.1	6.8	290.3	5.5
Option Income	24.0	0.7	45.8	1.0	56.1	1.2	20.3	0.4

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

**Prior to 1975 figures for Bond Funds were included in the Income category.

***Between 1970-1978, the liquid asset figures excluded U.S. Government Securities with maturity over 1 year; prior to that date these securities were included in the data.

R—Revised

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1963		1964		1965	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$2,459.1	100.0%	$3,403.0	100.0%	$4,358.1	100.0%
Type of Sale:						
Regular Single Payment	1,582.7	64.4	2,282.9	67.1	2,955.5	67.8
Voluntary Accumulation Plan	288.5	11.7	386.4	11.3	464.8	10.7
Contractual Accumulation Plan	270.5	11.0	293.2	8.6	355.1	8.1
Contractual Single Payment	32.2	1.3	76.7	2.3	150.5	3.5
Reinvested Investment Income	285.2	11.6	363.8	10.7	432.2	9.9
Method of Distribution:						
Broker-Dealer	1,454.1	59.1	2,092.0	61.5	2,892.5	66.4
Direct Sellers	884.3	36.0	1,172.5	34.5	1,286.0	29.5
No-Load	115.7	4.7	135.3	4.0	178.1	4.1
Other*	5.0	0.2	3.2	0.0	1.5	0.0
Investment Objective:						
Aggressive Growth	3.0	0.1	9.8	0.2	7.4	0.2
Growth	782.4	31.8	1,172.4	34.5	1,503.2	34.5
Growth & Income	914.0	37.2	1,251.1	36.8	1,668.3	38.3
Balanced	562.8	22.9	686.2	20.2	768.8	17.6
Income	196.9	8.0	283.5	8.3	410.4	9.4
REDEMPTIONS	$1,505.3	100.0%	$1,874.1	100.0%	$1,962.4	100.0%
Type of Redemption:						
Regular Account	NA	NA	NA	NA	NA	NA
Contractual Account	NA	NA	NA	NA	NA	NA
Method of Distribution:						
Broker-Dealer	1,022.3	67.9	1,260.8	67.3	1,305.4	66.5
Direct Sellers	362.7	24.1	440.4	23.5	482.3	24.6
No-Load	106.6	7.1	144.9	7.7	135.2	6.9
Other*	13.7	0.9	28.0	1.5	39.5	2.0
Investment Objective:						
Aggressive Growth	8.0	0.5	7.9	0.4	4.3	0.2
Growth	565.2	37.5	708.1	37.8	768.3	39.2
Growth & Income	606.0	40.3	736.4	39.3	724.6	36.9
Balanced	219.5	14.6	282.6	15.1	287.7	14.7
Income	106.6	7.1	139.1	7.4	177.5	9.0

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1966		1967		1968	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$4,671.8	100.0%	$4,669.6	100.0%	$6,819.8	100.0%
Type of Sale:						
Regular Single Payment	2,992.2	64.0	2,967.2	63.5	4,770.3	69.9
Voluntary Accumulation Plan	537.4	11.5	577.3	12.4	856.2	12.6
Contractual Accumulation Plan	415.7	8.9	387.4	8.3	415.7	6.1
Contractual Single Payment	237.6	5.1	192.1	4.1	144.7	2.1
Reinvested Investment Income	488.9	10.5	545.6	11.7	632.9	9.3
Method of Distribution:						
Broker-Dealer	3,288.2	70.4	3,323.2	71.2	5,021.8	73.6
Direct Sellers	1,156.3	24.8	982.2	21.0	1,170.2	17.2
No-Load	221.4	4.7	363.5	7.8	624.3	9.2
Other*	5.9	0.1	1	0.0	3.5	0.0
Investment Objective:						
Aggressive Growth	56.3	1.2	92.8	2.0	754.2	11.1
Growth	2,195.4	47.0	2,373.8	50.9	3,373.6	49.5
Growth-&-Income	1,479.0	31.7	1,393.4	29.8	1,605.2	23.5
Balanced	580.1	12.4	463.6	9.9	422.5	6.2
Income	361.0	7.7	346.0	7.4	664.3	9.7
REDEMPTIONS	$2,005.1	100.0%	$2,744.2	100.0%	$3,838.7	100.0%
Type of Redemption:						
Regular Account	NA	NA	NA	NA	NA	NA
Contractual Account	NA	NA	NA	NA	NA	NA
Method of Distribution:						
Broker-Dealer	1,352.5	67.4	1,873.5	68.3	2,725.2	71.0
Direct Sellers	495.2	24.7	650.2	23.7	822.2	21.4
No-Load	112.2	5.6	156.5	5.7	221.2	5.8
Other*	45.2	2.3	64.0	2.3	70.1	1.8
Investment Objective:						
Aggressive Growth	17.2	0.9	31.2	1.1	98.6	2.6
Growth	765.7	38.2	1,093.2	39.8	1,748.1	45.5
Growth-&-Income	673.0	33.6	938.0	34.2	1,086.9	28.3
Balanced	345.8	17.2	496.5	18.1	595.7	15.5
Income	203.4	10.1	185.3	6.8	309.4	8.1

*Exchange funds and others are not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1969		1970		1971	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$6,718.3	100.0%	$4,625.8	100.0%	$5,147.2	100.0%
Type of Sale:						
Regular Single Payment	4,414.0	65.7	2,615.0	56.5	2,880.6	56.0
Voluntary Accumulation Plan	1,089.7	15.9	812.1	17.5	1,110.0	21.6
Contractual Accumulation Plan	448.2	6.7	372.7	8.1	356.9	6.9
Contractual Single Payment	97.7	1.5	41.0	.9	50.1	1.0
Reinvested Investment Income	668.4	10.2	785.0	17.0	749.6	14.5
Method of Distribution:						
Broker Dealer	4,889.4	72.8	3,314.5	71.6	3,804.7	73.9
Direct Sellers	1,076.6	16.0	802.6	17.4	728.1	14.2
No Load	716.1	10.7	500.1	10.8	597.9	11.6
Other*	36.2	.5	8.4	.2	16.5	.3
Investment Objective:						
Aggressive Growth	887.5	13.2	393.1	8.5	446.4	8.6
Growth	2,992.5	44.6	1,920.4	41.5	2,093.1	40.6
Growth & Income	1,788.5	26.6	1,595.1	34.5	1,768.4	34.4
Balanced	329.8	4.9	287.8	6.2	270.5	5.3
Income	720.0	10.7	429.4	9.3	568.8	11.1
REDEMPTIONS	$3,661.6	100.0%	$2,987.6	100.0%	$4,750.2	100.0%
Type of Redemption:						
Regular Account	NA	NA	2,788.3	93.3	4,351.6	91.6
Contractual Account	NA	NA	199.3	6.7	398.6	8.4
Method of Distribution:						
Broker Dealer	2,605.9	71.2	2,125.2	71.1	3,334.8	70.2
Direct Sellers	685.6	18.7	524.7	17.6	936.7	19.7
No Load	292.4	8.0	209.4	7.0	339.7	7.2
Other*	77.5	2.1	128.3	4.3	139.0	2.9
Investment Objective:						
Aggressive Growth	267.9	7.3	217.3	7.3	367.5	7.7
Growth	1,667.1	45.6	1,288.2	43.2	2,038.2	42.9
Growth & Income	960.4	26.2	1,008.0	33.7	1,608.0	33.9
Balanced	411.6	11.2	311.5	10.4	456.8	9.6
Income	354.6	9.7	162.6	5.4	279.7	5.9

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1972		1973		1974	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$4,892.5	100.0%	$4,359.3	100.0%	$3,091.4	100.0%
Type of Sale:						
Regular Single Payment	3,029.4	61.9	2,609.8	59.8	1,400.6	45.3
Voluntary Accumulation Plan	846.9	17.3	796.6	18.3	634.4	20.5
Contractual Accumulation Plan	291.6	6.0	233.7	5.4	204.3	6.6
Contractual Single Payment	32.5	0.7	10.7	.2	7.2	0.3
Reinvested Investment Income	692.1	14.1	708.5	16.3	844.9	27.3
Method of Distribution:						
Broker-Dealer	3,258.8	66.6	2,809.7	64.5	1,848.5	59.8
Direct Sellers	780.5	16.0	736.8	16.9	684.1	22.1
No-Load	833.1	17.0	808.5	18.5	556.4	18.0
Other*	20.1	0.4	4.3	0.1	2.4	0.1
Investment Objective:						
Aggressive Growth	627.6	12.8	368.1	8.4	204.3	6.6
Growth	2,037.5	41.6	2,054.1	47.2	1,261.8	40.8
Growth & Income	1,402.4	28.7	1,212.5	27.8	902.1	29.2
Balanced	242.7	5.0	244.5	5.6	223.9	7.2
Income	582.3	11.9	480.1	11.0	499.3	16.2
REDEMPTIONS	$6,562.9	100.0%	$5,651.1	100.0%	$3,380.8	100.0%
Type of Redemption:						
Regular Account	6,108.7	93.1	5,272.4	93.3	3,167.6	93.7
Contractual Account	454.2	6.9	378.7	6.7	213.2	6.3
Method of Distribution:						
Broker-Dealer	4,577.4	69.7	3,888.1	68.8	2,298.4	68.0
Direct Sellers	1,326.8	20.2	1,061.3	18.8	586.7	17.3
No-Load	515.5	7.9	603.8	10.7	411.5	12.2
Other*	143.2	2.2	97.9	1.7	84.2	2.5
Investment Objective:						
Aggressive Growth	576.3	8.8	429.2	7.6	207.5	6.2
Growth	2,754.9	42.0	2,223.5	39.4	1,248.8	36.9
Growth-&-Income	2,200.9	33.5	2,012.3	35.6	1,220.6	36.2
Balanced	643.9	9.8	544.6	9.6	365.4	10.8
Income	386.9	5.9	441.3	7.8	335.5	9.9

*Exchange funds and others not currently offering shares; sales represent reinvested dividends.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1975		1976		1977	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$3,307.4	100.0%	$4,360.3	100.0%	$6,399.7	100.0%
Type of Sale:						
Regular Single Payment	1,511.6	45.9	2,056.4	47.2	3,350.1	52.3
Voluntary Accumulation Plan	674.1	20.4	1,197.3	27.4	1,753.5	27.4
Contractual Accumulation Plan	170.8	5.2	138.0	3.2	137.4	2.2
Contractual Single Payment	7.6	.2	7.2	.2	6.2	.1
Reinvested Investment Income	943.2	28.5	961.4	22.0	1,152.5	18.0
Method of Distribution:						
Broker-Dealer	1,948.3	58.9	2,326.2	53.4	2,596.4	40.6
Direct-Sellers	740.4	22.4	788.6	18.1	922.0	14.4
No-Load	617.1	18.7	992.8	22.8	2,797.5	43.7R
Other*	1.6	.1	252.4	5.8	83.8	1.3
Investment Objective:						
Aggressive Growth	286.2	8.7	390.1	8.9	466.4	7.3
Growth	1,466.2	44.3	2,410.1	55.3	3,284.1	51.3
Growth-Income	1,254.1	37.9	1,476.1	33.9	2,411.3	37.7
Balanced	238.1	7.2	161.1	3.7	174.1	2.7
Income	62.1	1.9	42.7	1.0	63.8	1.0
Bond**	1.0	.0	2.1	.0	1.0	.0
Municipal Bond	NA	NA	34.7	.8	103.1	1.6
Option Income	NA	NA	NA	NA	1.9	.0
REDEMPTIONS	$2,888.3	100.0%	$3,501.7	100.0%	$4,176.0	100.0%
Type of Redemption:						
Death	29.2	1.0	34.2	1.0	41.8	1.0
Periodic Withdrawal	1,000.1	34.6	1,211.1	34.6	1,444.1	34.6
Method of Distribution:						
Broker-Dealer	1,948.3	67.4	2,326.2	66.4	2,596.4	62.2
Direct-Sellers	740.4	25.6	788.6	22.5	922.0	22.1
No-Load	617.1	21.4	992.8	28.4	2,797.5	67.0
Other*	1.6	.1	252.4	7.2	83.8	2.0
Investment Objective:						
Aggressive Growth	286.2	9.9	390.1	11.1	466.4	11.2
Growth	1,466.2	50.8	2,410.1	68.8	3,284.1	78.6
Growth-Income	1,254.1	43.4	1,476.1	42.2	2,411.3	57.7
Balanced	238.1	8.2	161.1	4.6	174.1	4.2
Income	62.1	2.2	42.7	1.2	63.8	1.5
Bond**	1.0	.0	2.1	.0	1.0	.0
Municipal Bond	NA	NA	34.7	1.0	103.1	2.5
Option Income	NA	NA	NA	NA	1.9	.0

*Exchange funds and others not classified. Starting shares upon reinvestment reinvested dividends.
**Prior to 1975 figures for Bond Funds were included in the Income category.

SALES AND REDEMPTIONS BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1978		1979R		1980	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
SALES	$6,705.3	100.0%	$6,826.3	100.0%	$9,993.7	100.0%
Type of Sale:						
Regular Single Payment	3,411.3	50.9	3,283.0	48.1	5,721.0	57.2
Voluntary Accumulation Plan	1,734.1	25.9	1,896.3	27.8	2,324.6	23.3
Contractual Accumulation Plan	130.9	1.9	111.2	1.6	88.2	0.9
Contractual Single Payment	3.5	0.1	4.7	0.1	3.1	0.0
Reinvested Investment Income	1,425.5	21.3	1,531.1	22.4	1,856.8	18.6
Method of Distribution:						
Broker Dealer	2,996.6	44.7	2,886.2	42.2	4,831.9	48.4
Direct Seller	903.2	13.4	925.6	13.2	1,070.7	10.7
No-Load	2,804.3	41.8	3,014.2	44.3	4,087.1	40.9
Other*	1.2	.0	0.1	0.1	4.0	0.0
Investment Objective:						
Aggressive Growth*	484.4	7.2	687.2	10.1	1,635.6	16.4
Growth	1,115.9	16.6	1,117.7	16.4	2,048.6	20.5
Growth & Income	1,756.6	26.2	1,566.1	23.0	1,770.9	17.6
Bond & Preferred	220.8	3.3	154.0	2.3	156.0	1.5
Income	636.1	9.5	669.1	9.8	815.5	8.2
Option**	1,098.6	16.4	1,127.2	16.5	1,680.6	16.8
Money Market	1,491.2	22.2	1,504.3	22.0	1,740.0	17.4
Tax-Exempt Bond	102.6	1.5	0.1	0.0	146.4	1.4
REDEMPTIONS	$1,722.4	100.0%	$3,004.9	100.0%	$5,200.1	100.0%
Type of Redemption:						
						[illegible]
						[illegible]
Method of Distribution:						
						[illegible]
						[illegible]
						[illegible]
Investment Objective:						
						[illegible]
						[illegible]
						[illegible]
						[illegible]
						[illegible]
						[illegible]
						[illegible]
						[illegible]

*Exchange funds and other non-money offering shares were originally reinvested dividends in 1978. These were exempt offerings of exchange funds which are reflected in the figures.

**Prior to 1975 figures for Bond funds were included in the Income category.

R—Revised

SALES AND REINVESTED DIVIDENDS BY FUND CHARACTERISTICS 1977-1978

(In Millions of Dollars)

1977	Total Sales	Total Reinvested Dividends	Sales less Reinvested Dividends
Total	$6,399.7	$1,152.5	$5,247.2
Method of Distribution			
Broker Dealer	2,596.4	588.8	2,007.4
Direct Sellers	922.0	327.7	594.3
No-Load	2,797.5	232.7	2,564.8
Other*	83.8	3.3	80.7
Investment Objective			
Aggressive Growth	407.4	32.4	375.0
Growth	829.1	252.6	576.5
Growth-&-Income	1,033.6	372.2	661.4
Balanced	168.4	130.0	38.4
Income	633.0	149.3	483.7
Bond	983.0	155.7	827.3
Municipal Bond	2,056.1	57.1	1,999.0
Option Income	289.1	3.2	285.9
1978			
Total	$6,705.3	$1,425.5	$5,279.8
Method of Distribution			
Broker Dealer	2,996.6	750.9	2,245.7
Direct Sellers	930.2	381.2	549.0
No-Load	2,804.3	319.6	2,484.7
Other*	4.2	3.8	0.4
Investment Objective			
Aggressive Growth	480.4	38.3	442.1
Growth	1,015.2	301.4	713.8
Growth-&-Income	1,060.6	411.2	649.4
Balanced	239.4	204.1	35.3
Income	649.7	167.9	481.8
Bond	1,306.8	182.3	1,124.5
Municipal Bond	1,812.8	103.0	1,709.8
Option Income	140.4	17.3	123.1

SALES AND REINVESTED DIVIDENDS
BY FUND CHARACTERISTICS
1979-1980

(In Millions of Dollars)

1979	Total Sales	Total Reinvested Dividends	Sales less Reinvested Dividends
Total	$6,826.3	$1,531.1	$5,295.2
Method of Distribution			
Broker Dealer	2,883.2	748.4	2,134.8
Direct Sellers	903.8	386.5	517.3
No-Load	3,034.2R	391.1R	2,643.1R
Other	5.1	5.1	0.0
Investment Objective			
Aggressive Growth	687.5	51.3	636.2
Growth	1,171.5	309.6	861.9
Growth-&-Income	1,062.7	436.9	625.8
Balanced	164.8	132.4	32.4
Income	644.8	199.8	445.0
Bond	1,273.2	256.3	1,016.9
Municipal Bond	1,711.1R	127.3R	1,583.8R
Option Income	110.7	17.5	93.2

1980			
Total	$9,993.7	$1,856.8	$8,136.9
Method of Distribution			
Broker Dealer	4,831.9	905.5	3,926.4
Direct Sellers	1,070.7	416.1	654.6
No-Load	4,087.1	531.2	3,555.9
Other	4.0	4.0	0.0
Investment Objective			
Aggressive Growth	1,635.6	111.4	1,524.2
Growth	2,048.6	400.4	1,648.2
Growth-&-Income	1,762.9	466.0	1,296.9
Balanced	156.0	123.8	32.2
Income	815.8	228.4	587.4
Bond	1,680.4	335.3	1,345.1
Municipal Bond	1,756.6	168.7	1,587.9
Option Income	137.8	22.8	115.0

SALES AND REDEMPTIONS OF MUTUAL FUNDS
BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION
1975-1980

(Millions of Dollars)

	Aggressive Growth	Growth	Growth & Income	Balanced	Income	Bond	Municipal Bond	Option Income	Total
				TOTAL SALES					
				Broker-Dealer					
1975									
1976									
1977									
1978									
1979									
1980									
				Direct Sellers					
1975									
1976									
1977									
1978									
1979									
1980									
				Net Load					
1975									
1976									
1977									
1978									
1979									
1980									
				REDEMPTIONS					
				Broker-Dealer					
1975									
1976									
1977									
1978									
1979									
1980									
				Direct Sellers					
1975									
1976									
1977									
1978									
1979									
1980									
				Net Load					
1975									
1976									
1977									
1978									
1979									
1980									

*

Note:

Source:

TOTAL NET ASSETS OF MUTUAL FUNDS
BY INVESTMENT OBJECTIVE WITHIN METHOD OF DISTRIBUTION
1975-1980

In Millions of Dollars

	Aggressive Growth	Growth	Growth-&-Income	Balanced	Income	Bond	Municipal Bond	Option Income	Total
Broker-Dealer									
1975	$ —	$2,275.4*	$ 7,735.8	$5,401.7	$11,863.2*	$ —	$ —	$ —	$27,296.1
1976	1,194.6	8,379.4	13,076.0	2,286.5	3,282.1	1,996.3	173.5	—	30,088.4
1977	1,285.0	6,414.6	11,872.7	1,243.8	2,935.9	2,143.2	362.8	337.1	25,745.1
1978	1,250.0	6,256.0	10,700.8	1,147.6	2,845.3	2,586.1	490.7	408.1	25,684.6
1979	1,557.4	6,553.5	11,075.1	1,105.0	2,140.3	2,805.7	542.4	454.4	26,233.8
1980	2,370.2	8,620.6	13,162.9	1,130.6	2,323.7	3,256.6	626.1	538.7	32,032.4
Direct Sellers									
1975	—	1,921.9*	1,824.2	448.1	6,111.6*	—	—	—	9,305.8
1976	491.3	2,319.3	3,158.2	2,311.2	1,901.2	950.1	68.7	—	10,168.3
1977	435.4	1,654.2	2,321.3	1,100.1	913.3	1,358.5	166.6	—	9,136.9
1978	411.0	1,692.4	2,131.5	1,706.3	1,131.5	1,545.0	234.4	—	8,852.1
1979	428.4	1,673.8	2,010.7	1,508.0	1,073.3	1,691.0	331.0	—	8,720.2
1980	627.2	1,858.3	2,056.3	1,410.6	1,041.9	1,787.8	395.3	—	9,176.7
No-Load									
1975	—	590.8*	2,580.5	867.3	1,112.6*	—	—	—	4,601.6
1976	494.3	3,230.8	916.7	398.6	306.4	309.1	366.0	—	6,026.9
1977	489.5	3,272.8	1,429.5	955.0	541.1	548.0	1,752.9	—	8,988.8
1978	642.0	3,511.9	1,547.5	888.7	567.8	569.1	1,694.5	10.8	9,612.2
1979	944.0	4,613.2	2,285.6	825.1	1,324.5	589.7	2,132.9R	14.8	12,729.6R
1980	1,600.1	6,157.3	3,001.7	845.8	1,436.1	669.0	1,886.8	21.8	15,647.5

*Broker-dealer and direct seller sales of growth-and-income funds are combined with growth funds prior to 1977; balanced funds prior to 1977 are combined with income funds prior to 1976.

R—Revised

TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF PORTFOLIO SECURITIES BY MUTUAL FUNDS

(Excluding U.S. Government Securities)
Annually, 1963-1980
(In Millions of Dollars)

Year	Total Purchases	Total Sales	Net Purchases
1963	$ 4,362.5	$ 3,602.7	$ 759.9
1964	5,339.7	4,257.2	1,082.5
1965	7,571.0	6,001.8	1,569.2
1966	11,519.5	10,166.8	1,352.8
1967	16,317.8	14,821.4	1,496.4
1968	22,012.5	20,104.5	1,908.0
1969	24,914.9	22,255.5	2,659.4
1970	20,405.0	18,588.5	1,816.5
1971	25,060.2	24,793.8	566.4
1972	24,467.6	25,823.6	(1,356.1)
1973	19,706.6	21,902.0	(2,196.4)
1974	12,299.7	12,213.5	86.2
1975	15,396.9	15,511.4	(114.5)
1976	15,348.2	16,881.2	(1,533.0)
1977	18,168.0	19,420.7	(1,252.7)
1978	20,945.6	23,069.7	(2,124.1)
1979	22,412.1	23,702.5	(1,290.4)
1980	32,987.2	32,080.6	906.6

NOTE: Parentheses indicate net sales.

TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF COMMON STOCKS BY MUTUAL FUNDS

Annually, 1963-1980
(In Millions of Dollars)

Year	Total Purchases	Total Sales	Net Purchases
1963	$ 4 010 1	$ 3 232 4	$ 777 7
1964	4 768 1	3 884 5	883 7
1965	6 530 1	5 166 2	1 363 9
1966	10 363 5	9 319 9	1 043 6
1967	14 926 0	13 325 5	1 600 5
1968	20 101 9	18 495 5	1 606 4
1969	22 059 4	19 852 5	2 206 9
1970	17 127 6	15 900 6	1 226 9
1971	21 557 7	21 175 1	382 5
1972	20 943 5	22 552 8	(1 609 4)
1973	15 560 7	17 504 4	(1 943 7)
1974	9 085 3	9 372 1	(286 8)
1975	10 948 7	11 902 3	(953 6)
1976	10 729 1	13 278 3	(2 549 2)
1977	8 704 7	12 211 3	(3 506 6)
1978	12 832 9	14 454 7	(1 621 8)
1979	13 089 0	15 923 0	(2 834 0)
1980	19 893 8	21 799 9	(1 906 1)

NOTE: Parentheses indicate net sales.

TOTAL PURCHASES, TOTAL SALES AND NET PURCHASES OF SECURITIES OTHER THAN COMMON STOCKS BY MUTUAL FUNDS

(Excluding U.S. Government Securities)
Annually, 1963-1980
(In Millions of Dollars)

Year	Total Purchases	Total Sales	Net Purchases
1963	$ 1,554.4	$ 1,375.2	$ 179.2
1964	1,671.6	1,472.8	198.8
1965	1,831.9	1,626.9	205.0
1966	1,788.1	1,658.9	129.2
1967	2,324.8	2,125.9	198.9
1968	3,021.6	2,893.0	128.6
1969	2,805.8	2,312.5	493.3
1970	2,455.9	2,063.6	392.3
1971	3,241.1	2,847.8	393.3
1972	3,911.3	3,553.8	357.5
1973	3,744.3	3,411.7	332.6
1974	2,911.8	2,671.8	240.0
1975	3,116.2	2,796.2	320.0
1976	3,844.3	3,504.3	340.0
1977	4,118.1	3,777.1	341.0
1978	4,556.2	4,183.2	373.0
1979	5,110.1	4,737.1	373.0
1980	5,911.6	5,471.6	440.0

PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1972		1973		1974A	
	Purchases	Sales	Purchases	Sales	Purchases	Sales
ALL SECURITIES	$24,467.6	$25,823.6	$19,706.6	$21,903.0	$12,279.2	$12,152.9
Method of Distribution:						
Broker-Dealer	16,028.4	16,560.6	14,481.5	16,232.5	9,248.6	9,343.6
Direct Selling	6,477.0	6,716.6	4,224.6	4,657.6	1,705.5	1,637.6
No-Load	2,015.0	2,352.2	1,000.2	1,012.9	1,124.8	976.2
Other*	247.1	194.2	0.3	0.0	200.3	195.5
Investment Objective:						
Aggressive Growth	2,304.3	2,407.3	2,156.2	2,456.2	1,188.5	1,020.5
Growth	4,113.0	4,566.1	3,111.4	3,703.5	1,836.9	1,607.0
Growth-Income	7,577.8	8,000.3	5,911.2	6,660.1	3,450.7	3,424.8
Balanced	1,937.6	2,107.8	1,621.2	1,844.2	1,202.1	1,128.4
Income	8,535.0	8,741.9	6,906.1	7,238.9	4,601.1	4,176.2
COMMON STOCK ONLY	$20,943.5	$22,551.8	$15,560.1	$17,504.4	$9,069.0	$9,322.7
Method of Distribution:						
Broker-Dealer	13,722.6	14,462.6	11,433.2	12,972.1	6,830.1	7,044.3
Direct Selling	5,546.3	5,869.0	3,335.2	3,722.3	1,259.4	1,185.6
No-Load	1,725.6	2,055.0	789.7	809.2	829.9	691.0
Other*	211.6	169.6	0.0	0.8	149.6	401.8
Investment Objective:						
Aggressive Growth	1,972.7	2,102.5	1,702.4	1,963.4	877.5	769.0
Growth	3,521.5	3,988.9	2,456.6	2,962.8	1,355.6	1,211.5
Growth-Income	6,486.8	6,988.6	4,677.2	5,328.1	2,548.3	2,441.3
Balanced	1,658.8	1,841.0	1,280.2	1,474.8	887.9	833.9
Income	7,303.7	7,639.4	5,453.9	5,790.4	3,399.7	3,445.9

*Fund of Funds, Variable Annuity, Variable Life

A Data for 1974 are preliminary.

PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1975A		1976A		1977	
	Purchases	Sales	Purchases	Sales	Purchases	Sales
ALL SECURITIES	$15,299.0	$15,478.6	$15,237.6	$16,758.8	$18,168.0	$19,420.7
Method of Distribution:						
Broker-Dealer	11,481.0	11,857.7	10,963.5	11,836.6	10,851.9	12,577.1
Direct Selling	2,222.9	2,241.2	2,413.2	2,970.3	2,509.4	2,868.9
No-Load	1,446.6	1,196.9	2,175.0	1,842.0	4,728.0	3,861.5
Other*	148.5	182.8	85.9	109.9	78.7	113.2
Investment Objective:						
Aggressive Growth	1,097.9	1,375.8	572.8	1,105.4	1,403.1	1,705.8
Growth	5,443.0	5,611.1	1,790.9	5,245.2	3,597.6	5,251.2
Growth & Income	4,042.1	4,701.5	1,949.6	5,569.1	4,350.1	5,664.1
Balanced	1,430.8	1,513.1	967.8	1,353.2	1,630.6	1,475.4
Income	1,459.5	1,351.3	1,463.4	2,044.3	2,279.3	2,253.3
Bond**	1,504.2	1,013.8	4,190.9	1,157.8	2,756.5	2,091.5
Municipal Bond	N.A.	N.A.	1,301.9	62.3	2,377.6	871.4
Option Income	N.A.	N.A.	N.A.	N.A.	373.2	108.0
COMMON STOCK ONLY	$10,898.3	$12,119.8	$10,661.3	$13,192.0	$8,704.7	$12,211.3
Method of Distribution:						
Broker-Dealer	8,314.9	9,155.9	7,857.6	9,913.4	5,968.7	8,040.8
Direct Selling	1,538.6	1,743.6	1,530.7	2,412.0	1,039.2	1,788.9
No-Load	1,100.3	1,058.5	1,289.9	1,589.3	1,625.5	2,276.9
Other*	144.5	161.8	83.1	109.3	71.3	104.7
Investment Objective:						
Aggressive Growth	1,063.1	1,356.2	1,221.6	1,305.0	1,049.7	1,340.3
Growth	5,362.3	5,537.6	3,887.1	5,621.4	3,104.1	4,855.0
Growth & Income	3,245.7	4,155.1	2,943.6	5,916.3	2,953.2	4,326.6
Balanced	604.7	641.0	408.6	707.5	357.6	622.2
Income	455.2	526.6	958.8	1,336.1	653.7	944.1
Bond**	67.3	91.3	81.6	66.3	71.3	62.6
Municipal Bond	N.A.	N.A.	25.6	19.3	2.6	0.0
Option Income	N.A.	N.A.	N.A.	N.A.	607.1	60.5

*Exchange funds and others not currently offering shares.

**Prior to 1975 figures for bond funds were included in the balanced category.

A Totals for these years will not slightly agree with the totals in the preceding tables because some funds only report portfolio activity on a quarterly basis. Figures in this table are computed monthly.

PORTFOLIO PURCHASES AND SALES BY FUND CHARACTERISTICS

(In Millions of Dollars)

	1978		1979		1980	
	Purchases	Sales	Purchases	Sales	Purchases	Sales
ALL SECURITIES	$20,945.6	$23,069.7	$22,412.1	$23,702.5	$32,987.2	$32,080.6
Method of Distribution:						
Broker-Dealer	12,641.3	13,726.7	12,009.8	13,123.5	17,043.6	16,928.3
Direct Selling	2,707.6	3,320.5	3,383.0	3,868.0	5,601.0	6,141.4
No-Load	5,395.2	5,844.5	6,808.1	6,413.5	10,101.3	8,774.5
Other*	171.4	178.0	213.2	297.5	236.3	206.4
Investment Objective:						
Aggressive Growth	1,643.6	1,887.9	1,892.4	2,029.8	3,578.3	3,151.4
Growth	4,717.7	6,008.1	5,214.7	6,207.6	8,373.0	8,764.1
Growth-&-Income	5,105.7	5,817.6	5,130.2	6,422.9	7,084.8	8,024.7
Balanced	1,100.7	1,496.8	1,164.6	1,572.9	1,637.0	2,089.9
Income	2,911.4	2,945.8	2,247.1	2,325.4	2,941.8	2,826.5
Bond**	2,479.6	2,381.7	3,472.5	2,854.9	5,971.2	4,590.2
Municipal Bond	2,417.9	2,019.4	2,789.8	1,796.6	2,729.8	1,987.7
Option Income	569.3	506.6	500.8	492.4	671.0	646.1
COMMON STOCK ONLY	$12,832.9	$14,454.7	$13,089.0	$15,923.0	$19,893.8	$21,799.9
Method of Distribution:						
Broker-Dealer	8,305.7	9,138.6	7,385.2	8,974.2	10,300.2	11,321.8
Direct Selling	1,747.5	2,220.0	1,840.4	2,622.4	3,280.3	4,590.7
No-Load	2,612.6	2,926.3	3,656.9	4,039.1	6,082.0	5,652.1
Other*	166.8	170.4	206.5	287.3	231.3	235.3
Investment Objective:						
Aggressive Growth	1,509.7	1,723.7	1,675.4	1,848.4	3,388.6	2,950.2
Growth	4,487.2	5,665.4	4,964.7	5,915.4	7,995.5	8,511.1
Growth-&-Income	4,415.2	4,708.6	4,325.1	5,622.7	5,634.8	6,954.9
Balanced	574.9	792.2	569.7	945.6	847.5	1,353.2
Income	1,183.7	993.8	973.9	1,037.9	1,097.7	1,328.6
Bond**	112.3	105.0	92.7	94.9	85.3	127.7
Municipal Bond	0.0	0.0	0.0	0.0	0.0	0.0
Option Income	549.9	446.0	487.9	456.1	644.4	574.2

*Exchange funds and others not currently offering shares.

**Prior to 1975 figures for Bond Funds were included in the Income category.

A Totals for these years will be slightly less than the totals in the preceding tables because some funds only report portfolio activity on a quarterly basis. Figures in this table are computed monthly.

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